

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MARCH 3, 1932

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N.G.F.

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3.

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4.

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National Guarantee & Finance Company

306 Yuster Bldg.

JOHN E. DAVIS, President

Columbus, Ohio

Please send me complete details of your Premium Budget Plan.

Name..... Address..... City and State.....

“25 Killed in big boiler explosion!”



or “Elevator Drops; 5 Killed, 6 Injured.” How often do you see headlines like these today?

Twenty or thirty years ago such headlines were common. A heavy toll of deaths and injuries were considered as the inevitable cost of high pressure steam boiler and elevator operation.

Careful study of such accidents, and a correction of the various weaknesses, human and mechanical, that caused

them, has practically banished such headlines from the front pages of the newspapers.

If the insurance men, cooperating with manufacturers, owners and operators have been able to push boiler explosions and elevator crashes off the front page of our newspapers, isn't it possible that they may be able to make real progress in solving our automobile accident problem?

T H E T R A V E L E R S

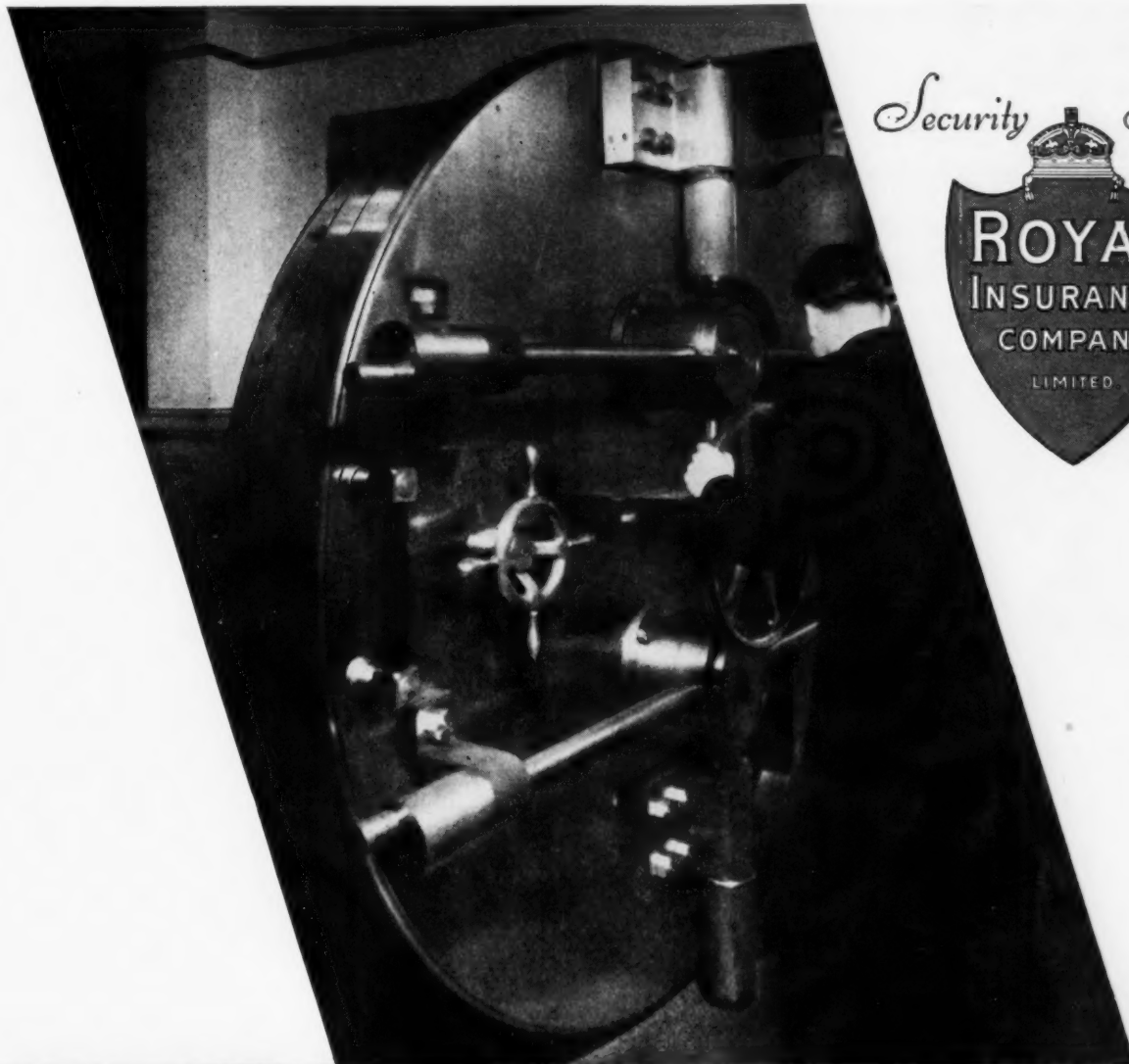
THE TRAVELERS INSURANCE COMPANY

THE TRAVELERS INDEMNITY COMPANY

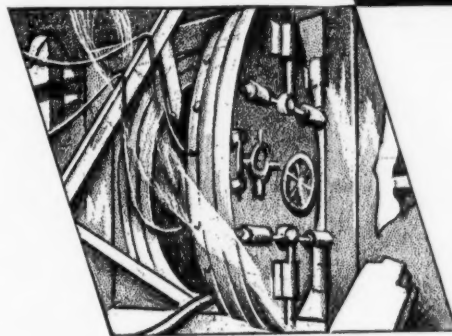
HARTFORD

THE TRAVELERS FIRE INSURANCE COMPANY

CONNECTICUT



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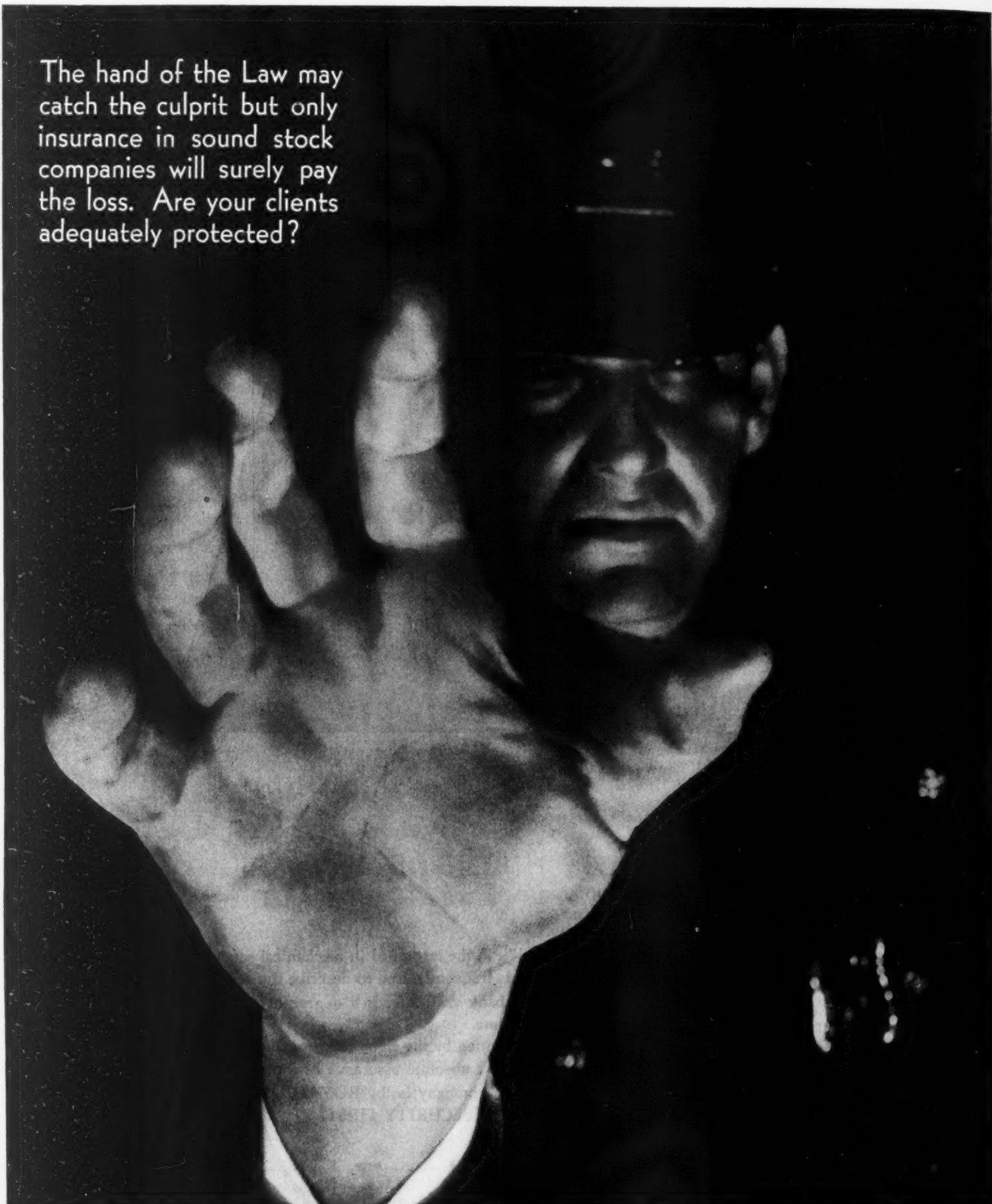
The modern bank vault affords a degree of safety from loss that is **ALMOST** absolute.

Insurance written by the right company affords a degree of safety that **IS** absolute . . . absolute assurance of indemnity in the event of loss.

The "right" company is the **ROYAL** . . . look for the **ROYAL** shield . . . the sign of **SECURITY FIRST**.

ROYAL
INSURANCE COMPANY LTD
 150 WILLIAM STREET ■ NEW YORK

The hand of the Law may catch the culprit but only insurance in sound stock companies will surely pay the loss. Are your clients adequately protected?



The AMERICA FORE GROUP of Insurance Companies

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THE FIDELITY AND CASUALTY COMPANY

New York, N.Y.

ERNEST STURM, Chairman of the Board
PAUL L. HAID, President

ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
PAUL L. HAID, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Sixth Year No. 9

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MARCH 3, 1932

\$4.00 Per Year, 20 Cents a Copy

Mortensen Plan Is Turned Down

Separate Risk Classification Schedule Is Rejected by Officials

SUBCOMMITTEE IN VETO

Wisconsin Department Now Undecided Whether to Adopt Standard Plan or Initiate Own Schedule

Proposal of Commissioner Mortensen of Wisconsin that the National Convention of Insurance Commissioners adopt as standard the risk classification schedule which has been prepared to comply with a new Wisconsin law in place of the classification schedule adopted by the convention last December, was rejected by vote of a special sub-committee of commissioners which met in Chicago last week.

The Mortensen schedule is based largely on combustibility of risks and consists of 12 classes. The National Board classification, which was adopted in December by the National Convention of Insurance Commissioners, consists of 26 classes.

The sub-committee consisted of representatives of the Connecticut, New York, Illinois, Wisconsin and Michigan departments. In attendance were Commissioner Dunham of Connecticut, chairman of the sub-committee; Commissioner Mortensen of Wisconsin; C. M. Park, chief rater in Wisconsin, and W. H. Pierstorff, also of the Wisconsin department; Deputy Commissioner Correll of Michigan; R. E. Daly, supervisor of examinations of the Illinois department; J. J. Magrath, chief of the rating bureau of the New York department.

A. V. Gruhn, general manager American Mutual Alliance; R. P. Barbour, United States manager of the Northern of London, and L. E. Falls, vice-president the American of Newark, were on hand. The latter two represented the actuarial committee of the National Board.

Details of the Plan

The Mortensen plan provided for five general classes segregated according to the degree of combustibility used in rating schedules, each of which was to include all occupancy classes except public buildings, dwellings, seasonal risks, farm property, automatic sprinkler risks and miscellaneous risks not otherwise provided for. The plan was an attempt to show the experience of each combustibility class with the thought that this class would be helpful in determining whether rates on the classes included therein were fair and proper.

The plan further provided that the audit bureau of the state would stamp the proper class on each daily report

(CONTINUED ON PAGE 33)

Agents Qualification Act Is Killed by Kentucky Governor

REASONS GIVEN FOR ACTION

Declares That Bill Is Class Legislation and Is Contrary to Public Welfare

Governor Laffoon has vetoed the agency qualification bill passed by the Kentucky legislature. It passed 90 to 2 in the house and 27 to 6 in the senate. The secretary to the governor stated that the objection to the act was that it placed too much restriction on appointment of agents in small communities. An attempt was made to pass the bill over the governor's veto but the house refused on a vote of 27 to 37. The National Board opposed the bill, it taking the position that it would make it difficult for companies to secure agents in small towns and rural communities where experienced insurance men are scarce. The Kentucky Association of Insurance Agents has been sponsoring a bill of this nature for some time and is greatly disappointed at the outcome.

Governor Gives Reasons

Governor Laffoon in his veto said: "I think it constitutes class legislation and is contrary to the public welfare. If it were the law, as I view it, it would destroy the right to equal opportunity. This law destroys competition and tends to create monopoly in favor of insurance agents that are now licensed. In my opinion it would increase the cost of insurance to the public and would limit the opportunity of good men to become insurance agents."

Authority Now Is Adequate

"The law, as it now is regulating fire insurance agents, specifies the character of men that must be appointed and points out how this should be done. Under the law now in force, the insurance commissioner has the right to prevent incompetent and dishonest persons from engaging in the business of agents of fire insurance companies. The business of an insurance agent is an ordinary pursuit, and does not require any peculiar qualifications to fit him for the business. Under this bill only the persons who would become insurance agents in the future are to pass an examination. For this reason it does not put those following and desiring to pursue this business on the same footing."

AGENTS MUCH DISAPPOINTED

LOUISVILLE, March 2.—Local agents are feeling very disconsolate over the veto of the agency qualification bill. For 20 years they have endeavored to secure the enactment of an adequate law of this nature. They desired an examination feature, feeling that the standard of agency representation should be raised. Heretofore bills of this nature had been killed largely through the pressure of bankers and some mutuals and reciprocals. When the bill went through both houses with so large a majority, the agents felt that it was as good as law as Governor Laffoon had at one time been head of the state insurance department. The Na-

Gantert Elected President Fidelity & Guaranty Fire

BLAND IS BOARD CHAIRMAN

Levering in Charge of Finances—New Company Head Had Extensive Field Experience

BALTIMORE, March 2.—Frank A. Gantert, who has been vice-president and general manager of the Fidelity & Guaranty Fire, has been elected president succeeding R. Howard Bland, who becomes chairman of the board.

Mr. Gantert, who became manager of the company in 1929, is widely known in the insurance field. He was formerly with the British America and Western Assurance in New York City and then special agent and inspector for those companies for Indiana, Kentucky and part of Tennessee. Later he became state agent for the North British & Mercantile in Indiana and in 1920 became assistant general agent in the central department. Following this he was made general agent in that department and from there came to Baltimore. Mr. Gantert at one time was a member of the executive committee of the Indiana Fire Underwriters Association.

Levering Finance Committee Chairman

E. W. Levering, Jr., vice-president, was elected chairman of the finance committee.

Mr. Bland, who is chairman of the board of the United States Fidelity & Guaranty, has served as president of the Fidelity & Guaranty Fire since its organization.

Mr. Gantert, it is announced, in assuming the presidency of the Fidelity & Guaranty continues the management and will pursue the same constructive policy that has marked the three years of the company's operation. In an announcement sent by Mr. Bland as chairman of the board to the agents of the field he congratulates the staff upon the remarkable success made by the Fidelity & Guaranty since its organization three years ago and stresses that Mr. Gantert assumes the presidency as a trained fire insurance executive combining technical knowledge and field and administrative experience of over 30 years.

national Board, however, fought this bill very strenuously, Attorney E. M. Griggs of Chicago being the main man at Frankfort representing the National Board. The agents seemingly resent the attitude of the National Board. A number of agents have been interviewed and all are very outspoken in their expression of disgust. Secretary Thie-man of the Kentucky Association of Insurance Agents in his bulletin to members closes with the following sentence:

"It has since been learned and it is curious indeed that at least one person—a senator—knew of the impending veto even though advocates of the agency qualification bill were not given the opportunity to discuss with the governor any objections he might personally have to the bill and which might lead him to veto same."

Rates, Rules for New Auto Form

Comprehensive Policy Issued for Use in 11 Eastern, 12 Western States

FOR PLEASURE CARS ONLY

Aggregate Premium About 15 Percent Less Than Total of All Constituent Items

NEW YORK, March 2.—Copies of the rates and rules governing the comprehensive form of policy have been furnished agents of all companies belonging to the National Automobile Underwriters Association in 11 eastern and 12 western branch states. Filings have also been made in Indiana and with the approval of the department, will apply in that state. There is declared to be no special demand for the contract in the south and the west coast thus far, so it will not now be used in either territory.

Actual Value Basis

Applicable to pleasure cars only, the comprehensive policy, in the preparation of which the association had been working for months, assumes liability for loss through fire, theft, tornado, flood, collision, and many other perils. When coupled with casualty company coverages complete protection is supplied.

Written on an actual value basis the comprehensive contract may be issued for full coverage, or with \$25, \$50 or \$100 deductible. The deductible amounts are to be subtracted from each loss under the policy. It may be written either as a separate policy or through the medium of endorsement to the present standard automobile form. Property damage can be granted by attachment of the proper endorsement, for which the regulation premium must be charged in addition. Premiums appearing in the rate book are on an annual basis. In cancellation short rates must be collected.

Has Appeal to Motorists

Executives believe the comprehensive policy will appeal to motorists who have long sought coverage for all common hazards under one contract, instead of being forced to carry a variety of forms. It should eliminate complaints in the settlement of claims, while not the least effective of its appeal is that the aggregate premium is substantially less than the total of the constituent items. The saving is about 15 percent.

Instead of the 29 territorial classifications in straight fire, theft and collision, there are only eight for the comprehensive policy.

Rates for Chevrolet and Buick in the eight zones are as follows:

(CONTINUED ON PAGE 33)

Opponents of "Affiliates" Measure in N. Y. Are Heard

RETROACTIVE FEATURE HIT

J. H. Doyle, H. J. Drake Appear
Against Van Schaick's Program to
Amend Investment Law

Strenuous opposition to the measure sponsored by Superintendent Van Schaick of New York to inhibit the investment by non-life companies in affiliates developed at a hearing before the New York senate insurance committee. There was particular objection to the retroactive feature, which requires insurers to dispose of holdings, outlawed by the measure, by July 1, 1933, unless the superintendent grants further extension. H. J. Drake, New York legislative counsel for the Association of Casualty & Surety Executives, raised the point as to the retroactive feature.

The bill provides that "no funds of any domestic insurance corporation shall directly or indirectly be invested in or loaned on the stocks, bonds or other evidences of indebtedness of any affiliated interest," and then sets up a definition of affiliated interest.

J. H. Doyle, general counsel for the National Board, declared that the present is a poor time to experiment with the investment section of the insurance law in an attempt to break down a system that has stood the test.

Van Schaick's Defense

Mr. Van Schaick said that the bill was prompted by desire to preserve the surplus of companies for the policyholders. He said that many companies had made poor investments and that the department was eager to prevent repetition of bad investment practices. He intimated that the National Convention of Insurance Commissioners had endorsed the principles of the bill.

Incidentally, Mr. Van Schaick told the committee that the action of department in permitting companies to use average values in their annual statements was not final and that the right was reserved to require actual values.

Mr. Van Schaick gave the impression that he would be willing to have the retroactive feature of the bill governing affiliates eliminated. He said the bill should be regarded as consisting of three amendments—the investment of trust funds, investment in affiliated companies and investment in stocks. A. F. Gates, representing some of the Hartford companies, expressed objections to the bill and described the Connecticut method of insurance operations through affiliated companies.

Qualification Bill

Opposing views were heard on the O'Brien agents' qualification bill. It was opposed by A. F. Lent and A. F. Budelman, representing the druggists' mutuals, who advocated an exception for exclusively professional companies, writing only one line.

Mr. Doyle said the bill was unnecessary and that the \$5 fee for taking an examination would lead to retaliatory legislation in other states. He said the law governing agents should be amended to more clearly define an agent.

J. L. Train of the Utica Mutual also opposed the measure, saying that it is virtually the same bill, which was vetoed by Governor Roosevelt at the last session.

T. L. Rogers, president of the New York State Association of Local Agents, and various representatives of brokers' organizations, spoke in favor of the bill.

Mr. Van Schaick said that the bill, as drafted, is acceptable to the department.

Elliott Middleton, secretary of the Sun of London group, is in the south visiting agencies in that section.

Last of the Cincinnati Company Chiefs Is Dead

Frank A. Rothier, for 58 years connected with the Eureka Fire and the successor Eureka-Security F. & M. of Cincinnati, died at his home in Covington, Ky. He was the last of the pioneer Cincinnati company executives. He entered the service of the Eureka 58 years ago as assistant secretary to Edward E. Townley. At that time Capt. John Kyle was president. Later he became secretary and about 30 years ago was made president. In 1922 when the Eureka merged with the Security he became head of the combined companies. The past few years he was chairman of the executive committee of the Eureka-Security.

Mr. Rothier was an unusual character in the business. Until recent years, he personally examined all daily reports. He was known as a shrewd and careful underwriter and his ability in this field was reflected by a loss ratio which usually ranged from about 25 to 35 percent. Even during recent years and up to within ten days of his death, he still looked over many of the daily reports and claim records. The loss ratio of the company last year was but 37 percent.

Formed First Underwriters in West

In 1881, Mr. Rothier organized the Cincinnati Underwriters, which was the first underwriters organization in the middle west. It was modeled after the New York Underwriters.

Mr. Rothier was an individualist. For nearly half his career, he directed the only general writing stock fire company in Cincinnati. He pursued his own methods determined from his own experience. This was partly due to his location in a point which was no longer

(CONTINUED ON PAGE 33)

Probe Reasons for Heavy Run of Residential Losses

HEWETT CHECKS EXPERIENCE

Western Manager Boston and Old Colony Sees Shift in Trend of Moral Hazard Factor

LANSING, MICH., March 2.—Residential losses have been so heavy in January and February throughout the territory served by the western department of the Boston and Old Colony that an inquiry has been started to determine the factors involved, according to B. L. Hewett, western manager. A definite check of losses to determine their exact volume will be the first step in analyzing the situation.

High winds and the almost complete dearth of snow, which ordinarily protects against roof fires, are believed to be partly responsible but officials can not understand why these loss factors would not be counterbalanced by the unusually mild weather. It is admitted that the moral hazard resulting in part from the depression may be important, although there have been very few instances in which arson has been definitely indicated.

Shift in Moral Hazard Losses

There has been a conspicuous shift in the quarter where the moral hazard is most acute, Mr. Hewett says. Financial stringency in the past, he pointed out, generally meant an epidemic of mercantile losses, resulting in redoubled underwriting caution in that field. Due to the "hand-to-mouth" buying policy which has prevailed in the mercantile field, even for some time prior to the business collapse in the fall of 1929, in-

(CONTINUED ON PAGE 33)

Zero Hour Fast Approaches in Affairs of the I. M. U. A.

IMPORTANT DATE IS MARCH 14

Test of Year Old Inland Marine Organization Is Expected to Show Strength

NEW YORK, March 2.—Zero hour in the Inland Marine Underwriters Association will be reached March 14, when it will be determined whether the organization which is only about a year old is to continue or will virtually be abandoned through loss of important companies.

The St. Paul Fire & Marine is the stormy petrel around which centers the possibility that the I. M. U. A. will lose influence. As will be recalled, the furriers' customers' policy is the point at issue. Rate and minimum premium increases Jan. 1 by the I. M. U. A. are the bone of contention.

In the background is the threat of non-conference competition. There is no doubt but that the I. M. U. A. in making the change Jan. 1 discounted such competition, having in mind the lack of facilities for the concentration of values during the summer fur storage season.

However, non-conference companies adroitly side-stepped this handicap by issuing a certificate form to furriers' customers excluding the summer storage risk, which is being or will be carried by the conference companies.

Western Marine Dormant

A comparatively unimportant part of the picture at the moment is the proposed Western Marine, which would write the furriers' business exclusively. Incorporation papers have not been filed, the capital of \$100,000 apparently has not been formally subscribed, and now it is understood the furriers are awaiting the outcome of the I. M. U. A. controversy.

The St. Paul F. & M. objected to the I. M. U. A.'s rate increase, having written a considerable proportion of this business for many years and finding its furrier clients strongly opposed to a boost. There is no question but that continuance of the I. M. U. A. as an effective organization representing the major portion of inland marine premiums is threatened by this imbroglio, yet underwriters are confident the St. Paul will not withdraw, even though its demands are not met. It will be recalled the company tendered its resignation shortly after Jan. 1, but this action was reconsidered.

There are numerous hints that a number of other companies might follow suit if the St. Paul withdraws.

It is probable that the larger issue of attempts in New York to limit inland marine companies legislatively will serve to bind the I. M. U. A. strongly together and convince individual companies, no matter how disgruntled, that they need the cooperative bargaining power of the organization.

Out of the I. M. U. A.'s most secret councils comes the word of hope that an attempt will be made to make the method of arriving at a rate for the furriers' customers' policies "more scientific." This is taken as indicating a tendency not to force the issue now.

However in almost the same breath the executive committee is understood to have determined on a policy of applying "definite, severe penalties" against all violators. Thus anybody's guess as to what the I. M. U. A. will do easily might be correct. However, the most logical interpretation is that the organization is trying to "save face," and some concessions will be granted rather than to lose member companies and that strong working majority of premiums without which an insurance governing organization is emasculated.

THE WEEK IN INSURANCE

Special subcommittee of National Convention of Insurance Commissioners rejects proposal to adopt Wisconsin risk classification schedule as standard in lieu of National Board classification. **Page 3**

Rules and rates on the new comprehensive automobile policy for use in 11 eastern and 12 western branch states have been issued by the National Automobile Underwriters Association. **Page 3**

Kentucky governor vetoes the agency qualification bill that passed both houses by a large majority. **Page 3**

Frank A. Gantert elected president of the Fidelity & Guaranty Fire, succeeding R. Howard Bland, who becomes chairman of the board. **Page 5**

Plans are outlined for the mid-year meeting of the National Association of Insurance Agents at Cleveland March 22-24, at which a number of live subjects are scheduled for discussion. **Page 5**

Vice-Presidents D. N. Iverson and U. S. Atkinson of the Public Fire resign and J. W. Knox becomes vice-president and secretary. **Page 10**

Big increase in residence losses starts inquiry as to factors involved. Shift seen in moral hazard losses. **Page 4**

At the meeting of the New Jersey Association of Underwriters, the local agents' body, the final report was given on the proposed agents' qualification bill to be offered in the New Jersey legislature. **Page 5**

Zero hour approaches for Inland Marine Underwriters Association with test of member companies' loyalty March 14 over furriers' customers' policy issue. **Page 4**

Commercial accident and health program based on recommendations of Bureau of Personal Accident & Health Underwriters put in effect March 1 by many companies. **Page 37**

Hearing held in Charleston, W. Va., on increased automobile liability rates. Commissioner Lawson threatening to get a court order restraining enforcement of the tariff unless agreement is reached. **Page 39**

C. P. Collins, manager southwestern department of the Firemen's of Newark group, is retiring, being succeeded by Second Vice-president O. L. Brooks from the head office. **Page 5**

The Pacific Factory Insurance Association has been organized with E. T. Cairns, Fireman's Fund, president. **Page 12**

Vice-President Michelbacher of the Great American Indemnity, in his talk before New Jersey agents, made a number of observations on the automobile rates recently promulgated by the National Bureau of Casualty & Surety Underwriters. **Page 39**

A number of banks that were forced to close their doors are anxious to resume operations and have been negotiating with surety companies that had depository bonds, endeavoring to effect a settlement. **Page 39**

A. Duncan Reid, president Globe Indemnity, reviews factors in the distressing record of 1931 in connection with his annual statement. **Page 37**

Changed conditions in bank burglary field reviewed in address by W. D. Clark of the Fidelity & Casualty. **Page 39**

Chicago strike of plate glass fitters involving all insured plates is called off; "buck" passed back to carriers by plate glass manufacturers. **Page 38**

Casualty executives much worried over lower income and higher loss ratio on workmen's compensation. **Page 35**

Burglary underwriters in Chicago report store burglars now are using machine guns in daylight robberies to drive off peace forces. **Page 38**

Lively interest exhibited in two possible courses of action at annual meeting of Bureau of Personal Accident & Health Underwriters at New York this week. **Page 37**

Minnesota agents confer with casualty acquisition cost conference in New York on proposed cut of workmen's compensation commissions to 15 percent. **Page 37**

Program Outlined for Mid-Year Rally

Plans Completed for Coming Meeting of National Association of Insurance Agents

SUBJECTS TO COME UP

Cleveland Convention Will Have Before It a Number of Topics of Current Interest

NEW YORK, March 2.—Except for a few details, the procedure to be followed at the mid-year meeting of the National Association of Insurance Agents at Cleveland March 22-24 were completed by President W. B. Calhoun and Secretary W. H. Bennett in conference here. The executive committee will gather March 21, the national council going into session the following day. State association presidents and secretaries are also scheduled to meet March 22, and will hold a joint conference luncheon with the national councillors. As has been the custom in past years there will be no formal addresses at any of the mid-year sessions, the entire time being given over to hearing committee reports and to general discussions. The first convention session will start the morning of March 23, and sessions will be continued through the next day.

Will Hear Committee Reports

After the preliminaries President Calhoun will deliver the report of the administration. Following this committee reports will be heard. H. R. Manchester, chairman of the committee on the Interstate Underwriters Board, and J. L. Case, chairman of the committee on automatic cancellation for non-payment of premiums will report. Other reports will be submitted by the casualty conference committee and the national council. The definition committee, a body named at the Los Angeles convention last year to formulate definitions for the different classes of insurance producers, will also be heard.

A discussion on accident frequency will be led by A. W. Whitney, assistant manager National Bureau of Casualty & Surety Underwriters. Another feature will be a discussion of branch offices, based on a resolution adopted by the New York City Association of Insurance Agents.

Other Subjects Up for Review

Other subjects slated for review include:

- Automobile rate increase and demerit classification plan.
- Company and state commission reduction program.

Reciprocity in business.
Membership in last year of five-year program.

- Surrendering managerial functions to state.
- Agency qualification laws.

The leading social event of the meeting will be the get-together-dinner the evening of March 22. Convention headquarters will be in the Hotel Cleveland.

Retires From Illinois

The Atlantic Mutual Fire of Savannah, Ga., has retired from Illinois, but its liabilities there will run to maturity. This company is not to be confused with the Atlantic Mutual Fire of Philadelphia or the Atlantic Mutual, the big marine company of New York.

O. L. Brooks Now Southwest Manager for the Firemen's

MEEKER ASSISTANT MANAGER

Official Changes at Dallas Are Occasioned by the Retirement of
C. P. Collins

Pressure of private interests compelling the retirement of Secretary C. P. Collins, as manager of the Southwestern department of the Firemen's of Newark group with headquarters at Dallas, Second Vice-president O. L. Brooks has been transferred there from the head office as his successor, A. C. Meeker is appointed assistant manager at Dallas, being advanced in title from assistant secretary to secretary.

In advising Texas agents of the change, President Neal Bassett speaks highly of the underwriting ability of Messrs. Brooks and Meeker, both of whom have been connected with the Firemen's at the home office for a number of years. He expressed regret at the retirement of Mr. Collins, who, however, will continue in an advisory capacity, maintaining an office at the Dallas branch.

Issuance of Policies From "Back of the Book" Exposed

One of the large companies has notified its field men, as they make their rounds, to check up on the supplies of all agents to ascertain whether all policies are accounted for. Some agents, it develops, have been issuing policies "from the back of the book," failing to record the business on the daily report and pocketing the entire premium. The practice is limited pretty largely to small agents, who write only a few policies a year, and whose defalcations would not normally be discovered perhaps for several years. Field men are requested to

New President



FRANK A. GANTERT

Frank A. Gantert, vice-president and general manager of the Fidelity & Guaranty Fire, who becomes its president, is a former field man. He has had a wide underwriting experience. He is a hard worker and has done excellent service for his company.

run through all policies in an agent's office, to see whether any are missing in the series. Although the practice is not new, it seems to have developed to a greater extent in hard times.

Affeld to Give Address

F. O. Affeld, Jr., of the law firm of Richards & Affeld of New York City, will address the Suburban New York Field Club next Monday on "Legal Cancellation of the Fire Insurance Policy."

New Jersey Men Back License Bill

Joint Qualification Measure Is
Endorsed at the Meeting
in Trenton

MANY SUBJECTS COME UP

President H. B. Nelson Paid Tribute to Company Officials for the Sup- port They Gave

By GEORGE A. WATSON

Should the agents' qualification bill prepared jointly by representatives of the New Jersey Association of Underwriters and the Eastern Underwriters Association, and shortly to be offered in the New Jersey legislature, be enacted into law, that state, in the opinion of a competent authority, will have the best statute of its kind in the entire country. The measure, as explained by Julius Klein, chairman of a special committee, at the semi-annual meeting of the New Jersey association at Trenton, is patterned closely after the recently enacted Illinois qualification law, and is an improvement on the latter in that it fixes the financial responsibility of both agents and brokers.

Provisions of the Bill

It provides that applicants for licenses be subjected to examination only if called upon by the state department and that no charge be imposed for the service. Assuming that the bill in its present form becomes a law, it will mark the conclusion of years of effort on the part of the New Jersey agents.

(CONTINUED ON PAGE 35)

FIGURES FROM DECEMBER 31, 1931, STATEMENTS
FIRE COMPANIES

STOCK COMPANIES										
	Assets	Gain or Loss in Assets	Reins. Res.	Gain or Loss in Reins. Res.	Capital	Surplus	Gain or Loss in Surplus	Losses Paid	Net Prem.	Loss Ratio Percent
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Amer. Equitable...	11,320,714	-1,269,311	5,181,253	-1,290,193	1,000,000	4,119,598	2,119,598	3,224,337	3,560,179	93.3
Baltica	2,529,291	-118,920	1,296,432	-131,738	200,000	769,856	44,344	787,691	1,205,380	65.3
British America...	2,808,243	-298,248	1,334,550	-146,002	200,000	730,391	-312,388	830,933	1,295,137	64.1
Canadian	4,011,144	-361,266	2,279,587	-167,452	200,000	1,337,934	-72,916	1,236,843	2,203,826	56.1
Caledonian Amer...	1,638,469	-23,076	373,662	-19,810	200,000	1,008,787	43,973	1,222,243	281,559	43.7
Columbus, Miss...	2,267,671	-56,027	...	...	115,159	25,706	-14,432	53,013	429,199	121.0
Detroit National...	628,515	30,338	228,065	40,831	200,000	177,223	-19,193	73,044	217,699	33.5
Dixie, N. J...	1,546,158	-53,823	312,812	-15,191	500,000	600,760	-86,167	164,295	277,639	59.1
Dubuque P. & M...	4,950,128	-163,032	2,719,603	-105,710	1,000,000	881,226	-52,734	977,827	1,980,350	40.9
Eagle, N. J...	5,545,529	-440,001	2,725,310	-471,558	1,630,000	740,082	-859,918	1,229,012	2,701,242	45.4
Empls. F. Mass...	4,509,984	-79,812	1,750,365	-224,257	1,000,000	1,023,247	145,024	1,243,599	2,135,961	58.2
Eureka Sec. F. & M...	3,447,196	-121,292	1,596,536	86,842	1,000,000	467,296	-239,227	607,390	1,496,310	40.7
Fulton, N. Y...	1,743,205	39,763	251,127	-10,595	500,000	941,815	56,749	117,388	235,630	49.8
Globe & Rep. N. Y...	7,349,128	-1,746,489	3,333,393	-1,089,684	1,000,000	2,464,136	650,069	1,960,195	2,499,476	78.4
Guar. S. Tex...	5,524,484	-4,516	771,400	25,212	200,000	215,223	-1,671	52,964	84,887	52.0
Hanover	18,824,484	-531,085	4,771,400	-201,311	4,000,000	3,816,196	-5,220,539	2,270,125	4,476,963	52.0
International, N. Y...	7,435,283	-330,265	3,507,747	-320,335	1,000,000	2,141,914	-785,398	1,914,335	3,350,673	57.0
Knickerbkr., N. Y...	5,584,054	2,612,536	1,809,805	1,624,803	1,000,000	1,990,602	1,226,354	1,098,299	1,771,616	61.9
Lumbermen's, Pa...	4,205,609	-631,355	1,981,988	81,799	1,000,000	845,391	-789,692	617,365	1,626,195	38.0
Merch. & Mfrs...	4,095,109	-444,795	1,702,929	-585,512	1,000,000	194,441	-92,272	1,018,562	1,248,311	81.6
Millers Natl...	4,987,734	-817,077	2,059,600	-409,997	...	2,424,879	-422,915	1,082,965	2,558,861	42.0
Natl. Amer., Neb...	1,902,755	-10,626	409,668	-5,973	1,000,000	441,319	7,200	114,544	304,060	38.0
National, Colo...	154,394	10,840	37,774	17,850	75,000	36,931	-9,596	14,451	60,821	28.2
Natl. Reserve, Ia...	2,652,213	-197,803	1,762,012	-39,986	500,000	206,367	-108,884	686,595	1,310,676	52.4
Natl. Security, Neb...	2,620,932	26,298	477,593	8,717	1,000,000	596,723	-288,685	253,915	1,512,527	2.2
Newlands	1,743,949	-174,349	555,887	-118,829	200,000	895,889	...	330,000	560,200	58.4
New Hampshire...	17,450,640	-299,918	4,974,185	-237,854	3,000,000	8,373,149	-7,590	2,512,359	4,318,912	51.5
New India	1,232,703	-240,698	394,854	-98,190	...	503,239	-328,073	235,215	355,121	61.2
New York Fire...	6,569,663	4,029,817	2,463,812	1,609,823	1,000,000	2,695,557	2,151,398	1,456,099	2,150,894	67.7
North River...	23,310,987	2,396,317	8,451,259	-856,727	4,000,000	6,165,948	-1,028,743	5,343,345	8,553,378	62.4
Philadelphia Natl.	2,306,039	-640,483	483,777	64,443	1,000,000	674,716	-832,983	192,179	504,396	38.0
Pilot Reins.	4,361,989	-137,663	1,236,535	-164,787	1,500,000	1,181,240	2,678	667,541	1,074,661	62.1
Queen, N. Y...	22,428,217	-1,049,867	8,900,708	-817,249	5,000,000	3,532,185	-3,551,772	4,123,476	7,803,935	53.0
Queen City, S. D...	184,462	-6,596	...	...	10,000	35,080	...	997	126,689	58.0
Reins. Salamandra	3,300,346	-306,937	1,047,082	-254,777	200,000	1,124,128	-192,358	1,135,816	1,443,732	73.5
Richmond	3,037,659	-206,321	1,005,155	-113,565	1,000,000	556,585	544,624	554,625	907,014	61.1
Royal	24,620,305	-466,000	10,988,247	-1,285,532	400,000	7,565,368	-2,475,287	5,106,861	9,787,894	52.7
Scott. U. & N., Conn.	9,062,748	-397,457	4,409,081	-449,107	400,000	2,238,747	-1,180,550	2,269,669	3,584,449	63.2
Skandinavica, N. Y.	2,037,635	-159,562	930,039	-148,132	...	676,334	-201,506	545,825	856,851	63.7
Seaboard F. & M...	2,643,938	-121,913	894,732	-154,323	1,000,000	538,900	-63,715	525,996	1,113,483	47.2
Sentinel	2,444,795	42,267	369,632	24,754	1,000,000	628,496	-334,452	177,532	381,460	46.5
Southwest'n, Ariz...	775,870	5,675	68,942	-7,453	370,400	315,121	12,438	14,974	45,227	33.1
Switzerland Genl...	1,751,467	20,941	618,119	464,363	400,000	892,653	-147,237	260,874	339,685	76.8
Union Mar. & Gen...	2,314,123	1,215,448	1,147,139	464,363	400,000	542,481	-245,623	405,436	1,173,394	34.6
U. S. Fire	30,321,047	-2,114,047	12,404,590	-1,279,897	5,000,000	7,085,987	-3,581,842	6,492,362	11,492,322	59.9
Utica	1,428,585	-128,619	368,037	-151,151	400,000	507,044	-207,147	176,129	327,933	53.7
Westchester	14,309,158	-822,334	6,715,606	-856,058	2,000,000	3,022,412	-1,018,276	3,619,081	6,040,628	59.9
Western Assur...	4,779,880	-376,621	1,934,806	-321,591	400,000	1,610,821	-292,365	1,170,624	1,906,800	61.4
Zurich Fire	931,969	230,151	280,597	61,348	200,000	371,537	152,812	312,812	560,367	55.8



COVERAGES EFFECTED

FIRE,
AUTOMOBILE,
TORNADO,
RENTS,
LEASEHOLD,
EXPLOSION,
RIOT and CIVIL
COMOTION,
PROFITS AND
COMMISSION,
USE & OCCUPANCY
INLAND MARINE
OCEAN MARINE

IS A DOOR CLOSED TO YOU?

Sometimes there is business behind a door which is closed to you—and you have not found the key which unlocks it!

Good contracts, the right approach, a ready buyer, all the essentials of selling are yours—yet you sometimes find that business in a satisfactory volume remains behind a closed door.

PATRIOTIC Agents know that the Missing Key to open a volume of permanent and profitable business is often found in the record of more than Two Centuries of success and service behind the company which they represent.

PATRIOTIC INSURANCE COMPANY of AMERICA

HEAD OFFICE
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OSWALD TREGASKIS, President

WESTERN DEPARTMENT
WRIGLEY BLDG.,
CHICAGO
JOHN F. STAFFORD
Manager

MARINE DEPARTMENT
11 SOUTH WILLIAM ST.
NEW YORK
WM. H. McGEE & CO.
General Agents

PACIFIC DEPARTMENT
SAN FRANCISCO
C. A. HENRY,
General Agent

NEWS OF THE COMPANIES

North America Group Shown

Extracts Are Given From the Annual Statements of the Companies in the Fleet

The North America group has gotten out its annual statement. The North America shows assets \$74,992,661, premium reserve \$25,345,537, capital \$12,000,000, net surplus \$28,044,903, premiums \$27,756,734, losses \$12,919,260. These figures are based on Dec. 31 valuations. If it had used the convention form its assets would be \$90,234,945 and net surplus \$43,287,212.

The other companies are shown as follows:

Philadelphia F. & M.—Assets, \$4,399,251; premium reserve, \$1,460,071; claim reserve, \$345,299; capital, \$1,000,000; net surplus, \$1,455,188. On the convention form the assets would be \$4,950,199, and the net surplus \$2,006,135.

National Security—Assets, \$2,237,285; premium reserve, \$477,593; capital, \$1,000,000; net surplus, \$596,725. On convention form the assets would be \$2,620,352, net surplus \$979,740.

Alliance—Assets, \$7,770,941; claim reserve, \$701,160; premium reserve, \$2,872,900; net surplus, \$2,953,931; capital, \$1,000,000. On the convention form the assets would be \$9,277,617, and net surplus \$4,460,407.

Central Fire of Maryland—Assets, \$3,349,896; premium reserve, \$1,349,976; capital, \$1,000,000; net surplus, \$826,140. On the convention form the assets would be \$3,803,811, and the net surplus \$1,280,055.

Indemnity of North America—Assets, \$15,198,984; claim reserve, \$6,913,114; premium reserve, \$5,837,756; capital, \$1,000,000; net surplus, \$546,745. On the convention form the assets would be \$17,379,307, and the net surplus \$2,727,069.

Alliance Casualty—Assets, \$4,807,571; premium reserve, \$1,463,471; claim reserve, \$1,388,393; capital, \$1,000,000; net surplus, \$720,000. On the convention form the assets would be \$5,188,981, and the net surplus, \$1,101,920.

Gulf of Dallas Completing Its Financial Setup Program

The Gulf of Dallas is now completing its new financial set up. The stockholders voted in the latter part of January to reduce the capital from \$2,172,500 to \$1,086,250, the par value from \$100 to \$10. The reduction transferred \$1,086,250 to surplus. From surplus it was voted to pay \$543,125 as a partial liquidating dividend to stockholders, this being equal to 50 percent of the par value after the reduction in capital is accomplished. This payment is being made in shares of stock of the Southwestern Life of Dallas on the basis of \$55 per share value. The number of shares of the Southwestern Life thus being distributed is 9,875. The stockholders then approved a further resolution reducing the capital from \$1,086,250 to \$1,000,000 by purchasing 8,625 shares of Gulf stock in the market and the cancellation of these shares on the books, the purchase being made out of surplus at a price not exceeding \$15 a share. As of Jan. 1 the Gulf had assets of \$2,940,492, capital \$1,000,000, premium reserve \$722,544, net surplus \$1,017,741.

Pacific National to Expand

Following completion of the convention examination of the Pacific National Fire by California, Colorado and Texas, it is expected entry of the company into Colorado and Texas will shortly be approved. Cravens, Dargan & Co. will represent the company in Texas, with the Mountain States Agency Company of Denver in charge of Colorado, Wyoming and Utah. Plans for entering Idaho and Montana are also being considered.

Nearing Its Hundredth Year

Glen Cove Mutual Expects to Have New Home Building for Its Centenary

The Glen Cove Mutual of Glen Cove, L. I., which was started in 1837, expects by its hundredth anniversary to move from its present building to a new structure, fireproof and strictly modern. The plans are to locate the new building in a prominent point away from the congested business district where there will be an opportunity for architectural beauty to be shown and artistic landscaping. The old charter under which the company has been operating recently expired and it has been granted a perpetual charter. It is operating in 34 states, going as far west as Minnesota, South Dakota, Iowa, Kansas and Colorado. It has branch offices in Boston, Florence, S. C., Chicago, Des Moines, Kansas City, Salina, Kan., Denver, Sioux Falls, Milwaukee and Washington, D. C. Its premiums last year were \$833,713, assets \$677,007 and surplus \$183,821. President J. W. Townsend was recently made a member of the governing committee of the New York Fire Insurance Rating Organization.

Judgment Entered Against Head of Defunct Insurer

SPRINGFIELD, ILL., March 2.—The circuit court of Sangamon county has rendered judgment in favor of Alvin S. Keys, liquidator for Illinois department, against H. P. Gardner of Bloomington for \$9,967 which Gardner, as president of the First National Mutual Fire of that city, is alleged to have abstracted from the assets of the company after it had become insolvent. Judgment was by default as Gardner had failed to answer a citation.

When Mr. Keys took over the First National he discovered that, between August 6 when the directors voted voluntary liquidation and Nov. 28, when final order of liquidation was ordered, all of the cash had been paid out on checks made to the order of Gardner and, instead of a balance, an overdraft of \$26 was found to exist in the bank. Thereupon Mr. Keys transferred jurisdiction to the Sangamon county circuit court and reported that he had been unable to find any tangible assets.

The petition on which the court acted stated that, on Aug. 6 the First National had among its assets three certificates of deposit in the American State Bank of Bloomington totaling more than \$10,000 and that on Oct. 9 these certificates were cashed and the proceeds deposited to the credit of the First National.

On the same day, it was alleged, three checks were made payable to the order of Gardner and signed by him as president and counter-signed by F. F. James as secretary-treasurer. The checks totaled \$9,967. Entries were made in the records to indicate that two checks were in payment of borrowed money and a third in payment of interest.

The circuit court sustained Mr. Keys' contention that these withdrawals constituted unlawful preferences and that the directors and officers were without authority to make them.

The petition alleged that there are numerous creditors entitled to assert claims under policy contracts and that the action of Gardner left no funds with which to pay claims.

New Iowa Fire Financing

Decision to increase capital from \$100,000 to \$200,000 and surplus to \$260,000 was reached at the annual

*Companies so widely and favorably known
are good companies to represent*



By keeping faith with policyholders, agents and brokers, by unswerving devotion to sound business principles, by wise, progressive management, the companies of the Fireman's Fund Group have earned the confidence of the insuring public and are known from coast to coast as financially strong companies —excellent companies to represent.

Fire • Automobile • Marine • Casualty • Fidelity • Surety

FIREMAN'S FUND GROUP
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New York • Chicago • SAN FRANCISCO • Boston • Atlanta

THE AMERICAN INSURANCE COMPANY

Newark, New Jersey

Incorporated 1846

Statement January 1, 1932

Capital Stock	\$ 6,687,480.00
Liabilities	16,510,195.18
Reserve for Security Values	1,550,541.15
Special Reserve Fund	300,000.00
Net Surplus	6,574,038.40
	<hr/>
	\$31,622,254.73

CONSOLIDATED ASSETS of THE AMERICAN GROUP

Capital	\$ 6,687,480.00
Reserves and Liabilities	23,287,093.90
Net Surplus	6,574,038.40
	<hr/>
	\$36,548,612.30

Security Valuations approved by National Convention
of Insurance Commissioners.

WITH EVERYTHING AMERICAN
TOMORROW IS SECURE

meeting of the Iowa Fire of Waterloo, which was recently acquired by the Automobile of Hartford. Stock will be sold at two for one. M. B. Brainard, president of the Aetna Life group, is the new president of the Iowa Fire, succeeding W. Irving Moss of the Insurance Securities group. Hermann Miller, secretary of the Iowa Fire, who has been in active charge, has been made vice-president and manager.

Standard Mutual Is Absorbed

The Standard Mutual Fire of Philadelphia, one of the so-called improved risk mutuals, has been taken over by the Philadelphia Manufacturers Mutual. The Philadelphia Manufacturers has assumed all the assets and liabilities. The two companies are under the same management. The assets of the combined company are \$1,011,263, premium reserve \$904,153, net surplus \$96,522.

Fort Scott Companies' Figures

The Western Casualty & Surety and the Western Fire, both of Fort Scott, Kan., have issued their annual statements. The Western Casualty shows assets \$3,083,387, premium reserve \$932,920, loss reserve \$867,173, capital \$750,000, net surplus \$278,518. The Western Fire shows assets \$1,389,016, premium reserve \$303,247, claim reserve \$65,330, capital \$500,000, net surplus \$488,738.

National Union's Figures

The National Union Fire issues its new annual statement showing assets \$17,164,545, loss reserve \$1,635,475, premium reserve \$8,679,335, security valuation reserve \$1,747,557, capital \$2,750,000, net surplus \$1,610,626.

Liberty Bell Dividend

A final dividend of \$2.50 per share has been paid to stockholders in the liquidation of the Liberty Bell, which was a member of the Corroon & Reynolds group, bringing the total return to stockholders to \$14.90 per share. A small sum is being set aside to meet possible claims and if this is not needed it will be distributed to stockholders.

Has Not Reinsured Birmingham

The National Union Fire of Pittsburgh has not, as announced, reinsured the outstanding liability of the Birmingham Fire of Pittsburgh. Since the National Union assumed the ownership of the Birmingham some years ago there has been a reciprocal reinsurance contract. On Jan. 1 the National Union management found it prudent to make some changes in the reinsurance contract. This was done. It was merely a technical detail. The Birmingham continues just as formerly.

Reinsures Florida Company

The National Union Fire has reinsured the Atlantic Fire of West Palm Beach, Fla. It had only a small surplus.

Priest Talks to Field Men

TOPEKA, March 2.—Frank T. Priest of the Dulaney, Johnston, Yankey & Priest Agency of Wichita, Kansas, councillor of the National Association of Insurance Agents, was a speaker at the regular monthly meeting of the Kansas Fire Underwriters Association in Topeka Tuesday. O. W. Doling, state agent for the L. & L. & G., presided.

The regular meeting of the Central Kansas Field Men's Club at Wichita was postponed to enable the members to attend the Topeka meeting.

Miscellaneous Notes

The American Constitution Fire Company has been admitted to Maryland.

The Nevada Fire and the Cosmopolitan Fire have withdrawn from New Jersey.

The Dubuque F. & M. has been admitted to Rhode Island. It is now operating in 27 states and the District of Columbia.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius of Morrison & Townsend, 208 South La Salle St., Chicago,
as of Feb. 29.

Stock	Par	Share	Div. per	Bid	Asked
Aetna Cas	10	1.60	36	40	
Aetna Fire	10	2.00	29	31	
Aetna Life	10	1.20	25	27	
American, N. J.	5	.80	10 1/2	12	
Amer. Surety	25	...	16	18	
Automobile, Conn.	10	...	16	18	
Baltimore Amer.	2.50	.40	3	4	
Boston	100	16.00	300	340	
Carolina	10	1.50	14	16	
City of N. Y.	100	16.00	120	140	
Continental Cas.	10	1.60	15	17	
Continental Ins.	10	2.40	22	24	
Fid.-Phenix	10	2.60	23	25	
Fire Assn.	10	1.60	8	10	
Fireman's Fund.	25	5.00	45 1/4	48	
Fireman's F. Ind.	20	...	20	25 1/4	
Firemen's	10	1.20	10	12	
Franklin	5	1.60	14	16	
Glens Falls	10	1.60	35	37	
Globe & Rutgers.	100	20.00	240	260	
Great Am. Fire.	10	1.60	14	16	
Great Am. Ind.	10	...	9	11	
Halifax	10	1.20	12	14	
Hanover	10	1.60	20	22	
Harmonia	10	1.80	15	17	
Hartford Fire.	10	2.00	35	37	
Home F. & M.	10	...	21	25	
Home, N. Y.	10	2.00	20	22	
Homestead	10	1.30	11	13	
Ins. Co. of N. A.	10	*2.50	33	35	
Linc. Fire, N. Y.	10	1.60	8	10	
National Cas.	10	1.20	9	11	
National Fire	10	2.00	35	37	
National Liberty	5	.40	3 3/4	4 3/4	
National Surety.	50	...	12	13	
National Union.	50	...	25	35	
New Brunswick.	10	1.80	14	16	
New Hampshire.	10	2.00	38	42	
No. Amer. Life.	5	1.00	8	10	
North River	5	1.00	10	12	
N. W. National.	25	5.00	79	85	
Occidental	10	...	11 3/4	12 1/4	
Pacific Mut. L.	10	2.40	38 1/4	40	
Phoenix, Conn.	10	2.00	46	49	
Prov. Wash.	10	2.20	28	30	
Public Fire.	5	...	2	3	
Public Indemnity	5	...	1	2	
Rossia	5	...	4	5	
Sun Life	100	25.00	400	450	
Security Fire.	10	1.40	21	23	
Springfield F. & M.	25	4.50	65	70	
St. Paul F. & M.	25	6.00	110	115	
Travelers	100	*22.00	480	500	
U. S. Casualty.	12.50	...	12	15	
U. S. Fire.	10	2.00	18	21	
U. S. Fid. & Guar.	10	...	5 3/4	7	
Westchester Fire	10	2.00	21	23	

*Extra dividend paid.

Samples of New Insurance Calendars Are Now Ready

Samples of the new 1933 National Underwriter fire and casualty insurance calendars are now ready. They have twelve sheets with a different sales picture and caption on every sheet. The calendars are printed in two color rotogravure (gray and green) and are very well designed. The agent's name and advertisement appear at the top of every sheet which is a popular feature. The pictures represent different forms of casualty and fire coverage and are attractively posed.

There was a shortage of calendars this year because many local merchants didn't distribute them because of economic conditions. As a consequence insurance men are ordering more calendars for 1933 than they ever have before.

Federal Reinsurance Proposed

WASHINGTON, D. C., March 2.—Legislation authorizing the Federal Farm Board to extend reinsurance or excess loss reinsurance for such premiums and on such conditions as it may deem advisable to mutual, cooperative and other organizations or companies which insure growing crops, has been introduced in Congress by Senator Sheppard of Texas. The total amount of the reinsurance would be limited to \$50,000,000.

Van Schaick Principal Speaker

Superintendent Van Schaick of New York is to address the Albany, N. Y., Field Club, March 18. Members of the Suburban New York Field Club are being invited to attend.



A WOMAN'S screams thus proclaim another domestic tragedy due to the use of an inflammable cleaning fluid in the home. Many horrible deaths, and burns that permanently disfigure other victims, are annually charged up to this cause.

Sometimes it is carelessness in using the inflammable fluid near a burning pilot light or other flame, to which dangerous vapor quickly communicates itself.

In other cases, a spark of static electricity generated by the friction of rubbing a garment during the cleaning operation proves sufficient to ignite the vapor and cause a flash which involves everything about.

It is usually a quite commendable inclination towards thrift that leads women to do minor dry cleaning at home. But it is essential to the safety of the person doing the cleaning, to other members of her family and to her home itself, that a non-inflammable fluid be used.

Your druggist can tell you of non-inflammable preparations for the purpose that are efficient and economical. Banish all dangerous, explosive fluids from your household in the interests of fire-safety.

The prevention of fire in the home is a duty each member of the family owes to all other members. Adequate fire insurance is a duty the head of the family owes to himself and his dependents. To provide real security of property investment your policies should bear the name of a sound, well-established company.

North America Agents are listed in Bell Classified Telephone Directories under the heading . . . Insurance Company of North America.

Insurance Company of North America

PHILADELPHIA

and its affiliated companies write practically every form of insurance except life.



"The White Fireman in the Home" is a little book that the Insurance Company of North America will be glad to send you, gratis. By observing the precautions it gives, you may save yourself an experience like the one described. Address: North America, 1600 Arch St., Philadelphia.



The Oldest American Fire and Marine Insurance Company
Founded 1792

THE name "North America" is becoming more and more familiar to your clients and prospects through its national advertising.

Representing a strong, sound company, familiar to the people in your community, can be a big asset to any insurance producer.

Above is shown in reduced size, a full page North America advertisement, appearing in The Saturday Evening Post, March 26th; The Literary Digest, March 19th.

In Good Times and Bad —

pursuing the even tenor of its way, this company is not forgetful of good underwriting practices in Prosperous Days—nor does it cramp its Agents in Periods of Depression.

(It is always Constant)



Conflagration and Panic Proof

J. W. Knox Vice-President and Secretary Public Fire

WAS GREAT LAKES MANAGER

Resignations of Vice-Presidents D. N. Iverson and U. S. Atkinson Are Announced

Vice-President D. N. Iverson and Vice-President and Secretary U. S. Atkinson of the Public Fire have resigned. J. W. Knox, who was vice-president and general manager of the Great Lakes of Chicago when that company was taken over by the Public, has been elected vice-president and secretary of the Public.

Mr. Knox started with the Insurance Survey Bureau of Chicago and later joined the Providence Washington as examiner. He was made chief examiner and superintendent of agents for the Prussian National and Netherlands and later became assistant manager of the Netherlands. In 1929, when the Great Lakes severed its connections with the H. W. Letton management, Mr. Knox became vice-president of that company.

Iverson's Career

Mr. Iverson joined the Public in 1928 as vice-president. He was formerly assistant manager of the eastern department of the Liverpool & London & Globe. He started with the Continental in the engineering department in 1910 and later went into field work for the Fidelity-Phenix in New Jersey. He became state agent of the National Union in New Jersey and later was transferred to New York as state agent.

Mr. Atkinson started with the southern department of the North America, becoming chief clerk. Then for many years he was assistant manager of the southern department of the Royal and in 1922 he was made assistant United States manager of the Union of Canton, being located at Chicago for five years. He joined the Public in 1928.

R. G. Bachman has been elected assistant secretary of the Public.

Add 75 Members in Kansas

WICHITA, March 2.—Nearly 75 new members have thus far been added to the rolls of the Kansas Association of Insurance Agents as a result of the two-day membership drive, according to Duane T. Stover of the Harris, Burns & Co. agency of Wichita, chairman of the membership committee. Due to extremely bad weather and roads on the dates set, the drive has been carried over the past two weeks. Two of the important sections headed by Glenn D. Hussey of Topeka and Sam Simpson of Salina are still to make their final reports. With these two campaigns completed, together with other scattered districts which will receive special attention before Aug. 1, it is expected that at least 100 new and reinstated memberships will be reported for the year and Kansas will have maintained its quota of development as expected by the National association.

New Board at Newton, Kan.

Newton, Kan., organized a local board with I. C. Forney, president, and Merle Oliver, secretary, following a meeting attended by Rosse Case of Marion, president of the Kansas Association of Insurance Agents; Wade Patton of Hutchinson, secretary-treasurer; Duane T. Stover, president of the Wichita Insurors; Frank T. Priest of Wichita, national councillor, and Charles K. Foote of Wichita, past president of the Kansas association. Eight agencies were represented at the first meeting. Additional agencies are to be added and permanent officers elected at the next meeting.

AMERICAN INDEMNITY COMPANY GALVESTON

J. F. Seinsheimer, President

**COMPLETE
AUTOMOBILE PROTECTION
FIDELITY
AND
SURETY BONDS**

Desirable
general agency
contracts
available in
unallotted territory

S—AFETY SATISFACTION SERVICE

Whatever any
other companies
do for their agents
within the bounds of
sound, ethical business
and good underwriting
practice, we will do.

**FIRE
WINDSTORM
AUTOMOBILE INSURANCE**

AMERICAN INDEMNITY COMPANY GALVESTON

113TH ANNUAL STATEMENT OF THE AETNA INSURANCE COMPANY

HARTFORD, CONNECTICUT

December 31, 1931

RALPH B. IVES, PRESIDENT



Capital Stock, \$7,500,000

ASSETS	\$53,959,123.58
LIABILITIES (except capital)	\$32,029,419.27
POLICY-HOLDERS' SURPLUS	\$21,929,704.31

Assets

Bonds and Stocks (Convention Value)	\$48,088,060.35
Real Estate,	1,035,000.00
Cash on Hand and in Bank,	1,853,337.19
Premiums in Course of Collection,	2,681,427.20
Interest and Dividends Accrued,	178,253.92
Other Admitted Assets,	123,044.92
Total Assets,	\$53,959,123.58

Liabilities

Unearned Premiums,	\$21,137,324.57
Losses in Process of Adjustment,	2,853,094.70
Reserve for Dividends,	375,000.00
Reserve for Conflagrations,	3,000,000.00
Reserve for Contingencies,	750,000.00
Reserve for Taxes and Expenses,	895,000.00
Reserve to Adjust Security Holdings to True Value,	3,019,000.00
Capital,	7,500,000.00
Net Surplus,	14,429,704.31
Aggregate, including Capital and Surplus,	\$53,959,123.58

PAID TO POLICYHOLDERS SINCE ORGANIZATION - \$345,943,847.24

Can't Withdraw Deposit If It Has Any U. S. Business

COLUMBUS, O., March 2.—Judge Hough in the federal court here, in denying a mandatory injunction asked for by the South British against the superintendent of insurance and state treasurer, held that the company's deposits could not be withdrawn so long as there are any policyholders, not only in Ohio, but in the United States. The court said all states have similar statutes to that in Ohio, which act for their mutual protection. The plaintiff had

deposited \$110,000 with the state "for the benefit and security of its policyholders residing in the United States," as the Ohio law requires. On winding up its affairs in Ohio, it sought to withdraw its deposit and brought action to compel the state to refund it. Attorney-general Bettman said the decision establishes a precedent necessary to the enforcement of uniform provisions among the various states of the Union respecting deposits made by insurance companies to secure policyholders.

Canadian Field Changes

J. S. Wilson has been appointed resi-

dent inspector for western Canada by the Phoenix of Hartford, following 10 years' service as inspector for Ontario. He succeeds George F. Mitchell, who is returning to the head office.

C. G. Milette has been appointed inspector for the London Assurance, Guildhall and British Law in Quebec. Mr. Milette has been special agent for the America Fore in Quebec.

The Kansas Fire Prevention Association will make an inspection of Manhattan, March 24. An inspection will be made of the Odd Fellows Home and School located four miles west of Manhattan.

Pacific Factory Launched With Cairns as President

105 COMPANIES REPRESENTED

Clifford Conly Chairman Executive Committee; T. H. Anderson and Edwin Parrish Vice-presidents

SAN FRANCISCO, March 2.—The Pacific Factory Insurance Association, discussed among Pacific Coast fire insurance men for some time, was organized today with election of officers and adoption of constitution and general rules. E. T. Cairns, Fireman's Fund, was elected president; Edwin Parrish, America Fore, and Thos. H. Anderson, L. & L. & G., vice-presidents; A. T. Bailey, North British & Mercantile, secretary; Joy Lichtenstein, treasurer; Clifford Conly, chairman executive committee.

Other members of the executive committee which will be the governing body, are Arthur M. Brown, C. E. Allan, John C. Dornin, R. H. Griffith, McClure Kelly and H. F. Mills. Selection of a manager and other members of the staff will be considered at a meeting planned for an early date.

In making the announcement Mr. Conly, who was chairman of the special committee of investigation during the past year or more, said 105 companies are represented and 1,000 shares will be apportioned in accordance with the shares subscribed for in the membership form. The limit of 1,000 shares was greatly exceeded, he said. The association will function along lines similar to that of the associations at Hartford and Chicago.

"The factory association will be purely an underwriting body," said Mr. Conly, "using the rates promulgated by the board of fire underwriters and the various rating bureaus in this territory. It should prove of great value to brokers and local agents. We anticipate an effective and useful organization."

Kentucky Insurance Agents Watching Legislative Grist

Kentucky insurance men are watching closely legislation in that state. House bill 721 provides an annual license tax of 10 percent of the premium on all outside casualty and surety companies. It permits, however, a maximum tax of \$10,000 a year and provides for a rating board to fix rates. It is said to be the outcome of the state treasurer not being able to get companies to write public official bonds with depository liability. Another bill extends the valued policy law to personal property. It has a number of backers. House bill 619 creates a state public building insurance fund.

Advisory Board Appointed

The directors of the National Fire Protection Association have chosen a committee of five members of the board to act as an advisory body to the executive office. The following have been appointed for the present year: A. T. Bell, Atlantic City, chairman; F. T. Moses, Providence; Sumner Rhoades, New York City; H. L. Miner, Wilmington, Del.; C. W. Pierce, New York.

W. A. Penner, Beatrice, Neb.; C. W. Arnold, Wellsville, O., and W. G. Taylor, Eldon, R. McIntyre, Anamosa, and L. S. Maxson, Tipton, Iowa, all received silver medals from the Home commemorating 25 years continuous representation of the company.

Broker interested in 1,000 to 1,500 square feet in Chicago Insurance Exchange. Advise location and rental. Address W-8, The National Underwriter.

It's the STORM that shows a ship's true worth

A ship that comes unharmed through a hurricane has passed the test—is *known* to be safe. Add to known stability the benefits of unusual service and individual help to agents—and the picture of the Northwestern is complete.

Reputable agents who are looking for this sort of company support and service are invited to write to us concerning Northwestern representation.

NORTHWESTERN FIRE AND MARINE INSURANCE CO.

HARTFORD GENERAL AGENCY CO. INC.
General Managers
HARTFORD • CONNECTICUT

INTERNATIONAL RE-INSURANCE CORPORATION

Balance Sheet—December 31, 1931

ASSETS

Cash	\$ 915,394.05
Premiums in Course of Collection.....	1,950,884.06
Accounts Receivable (including salvage and amounts due from re-insurers)	377,594.47
Accrued Interest Receivable.....	80,681.62
Securities (valued on basis adopted by the National Convention of Insurance Commissioners):	
United States Government bonds.....	\$1,009,000.00
State and Municipal bonds.....	295,423.28
Corporate stocks and bonds.....	6,240,423.14
Total Securities	7,544,846.42
Loans:	
Secured by collateral.....	248,756.80
Secured by real estate mortgages.....	934,200.00
Total Loans	1,182,956.80
Cash Surrender Value of Life Insurance Policies.....	3,093.87
Equity in Home Office Building (represented by an undivided one-fourth interest in land and building of the book value of \$599,234.75, less company's portion of encumbrances, \$346,273.28)	252,961.47
Total	<u>\$12,308,412.76</u>

LIABILITIES

Note payable to Farmers & Merchants National Bank (secured)	250,000.00
Accrued Commissions, Taxes and other liabilities.....	640,693.65
Dividends Payable	75,000.00
Reserves:	
Unearned Premiums	\$2,992,138.61
Reserve for Losses.....	4,063,376.08
Total Reserves	7,055,314.69
Capital Stock and Surplus:	
Capital stock—authorized 300,000 shares of \$10.00 each; outstanding 150,000 shares.....	\$1,500,000.00
Surplus	2,787,204.42
Total Capital Stock and Surplus.....	4,287,204.42
Total	<u>\$12,308,412.76</u>

CERTIFICATE

International Re-Insurance Corporation:

We have examined your accounts as of December 31, 1931; we have verified the loans and collateral held thereunder, the possession of the securities owned, and have confirmed the cash balances by certification of the depositaries. The loss reserve appears to be conservatively stated, and, on the basis of the valuation of the securities as indicated, in our opinion the above balance sheet sets forth your financial condition at December 31, 1931.

HASKINS & SELLS.

Los Angeles, February 13, 1932.

INTERNATIONAL RE-INSURANCE CORPORATION

CARL M. HANSEN, President

HOME OFFICES

84 William Street,
New York, N. Y.

Pacific Finance Building,
Los Angeles, California

76 King William Street,
London, England

Fire Premiums in 1931 by Lines

Prudential Re			Richmond, N. Y.		
Fire	Premiums	Losses	Fire	Premiums	Losses
Motor Vehicle	\$4,040,419	\$2,375,564	Motor Vehicle	\$812,152	\$518,264
Earthquake	28,368	18,583	Earthquake	42,560	24,788
Tor-Windstorm	30,878	15,302	Tor-Windstorm	11,135	3,188
Sprinkler Leakage	115,953	2,977	Sprinkler Leakage	1,909	965
Riot and Explosion	17,068	2,286	Riot and Explosion	5,595	883
* * *			* * *		
Petersburg, Va.			Reins. Salamandra		
Fire	\$105,305	\$88,664	Fire	\$1,408,238	\$784,917
* * *			Motor Vehicle	1,512	12,820
Penn Genl.			Earthquake	7,401	4,666
Fire	\$10,771	\$477	Inland Marine	4,666	18,449
Motor Vehicle	34,884	10,783	Tor-Windstorm	41,204	3,896
* * *			Hail	279	27
National Union, D. C.			Sprinkler Leakage	2,779	1,394
Fire	\$70,536	\$8,916	Riot and Explosion	6,631	1,328
* * *			Aircraft	587	1,724
Louisville F. & M.			Queen City, S. Dak.		
Fire	\$12,349	\$793	Fire	\$79,223	\$56,599
Motor Vehicle	5,601	2,530	Motor Vehicle	5,212	5,212
Tor-Windstorm	9,776	930	Tor-Windstorm	31,006	2,612
* * *			Hail	6,697	2,612
Majestic, N. Y.			Queen, N. Y.		
Fire	\$62,581	\$39,002	Fire	\$6,256,805	\$3,318,773
* * *			Ocean Marine	375,685	190,145
U. S. Fire, N. Y.			Motor Vehicle	630,884	333,552
Fire	\$9,133,899	\$5,692,805	Earthquake	34,778	128
Ocean Marine	722,107	447,440	Inland Marine	193,971	48,095
Motor Vehicle	441,799	346,752	Tor-Windstorm	269,450	34,699
Earthquake	62,110	442	Hail	245	148
Inland Marine	322,632	215,726	Sprinkler Leakage	20,472	12,831
Tor-Windstorm	666,638	98,060	Riot and Explosion	26,274	4,177
Hail	50,042	23,413	Aircraft	15,870	11,333
Sprinkler Leakage	31,502	20,790	* * *		
Riot and Explosion	29,002	3,195	Pilot Reins.		
Aircraft	27,546	30,271	Fire	\$941,755	\$655,056
* * *			Ocean Marine	21,579	3,040
Switzerland Genl.			Earthquake	4,004	4,004
Ocean Marine	\$320,408	\$238,549	Inland Marine	4,631	7,190
Inland Marine	19,277	22,325	Tor-Windstorm	97,969	1,335
* * *			Sprinkler Leakage	994	1,010
Westchester, N. Y.			Riot and Explosion	2,729	1,010
Fire	\$4,908,366	\$3,063,185	Philadelphia National		
Ocean Marine	310,960	191,765	Fire	\$440,936	\$177,373
Motor Vehicle	226,327	181,612	Ocean Marine	18,399	4,243
Earthquake	17,985	85,943	Motor Vehicle	12,946	6,489
Inland Marine	107,298	61,103	Earthquake	1,173	1,173
Tor-Windstorm	348,793	26,812	Inland Marine	14,705	1,755
Hail	80,274	26,812	Tor-Windstorm	12,474	389
Sprinkler Leakage	26,887	7,115	Sprinkler Leakage	768	19
Riot and Explosion	13,422	1,516	Riot and Explosion	1,075	3
Aircraft	317	2,083	Aircraft	1,920	2,083
* * *			North River, N. Y.		
Western Assurance			Fire	\$6,293,721	\$3,815,262
Fire	\$1,405,546	\$891,182	Ocean Marine	723,010	452,965
Ocean Marine	176,387	104,822	Motor Vehicle	572,690	432,230
Motor Vehicle	105,701	94,781	Earthquake	60,401	536,904
Earthquake	25,226	69,044	Inland Marine	439,046	45,407
Inland Marine	90,085	87,049	Tor-Windstorm	372,162	11,476
Tor-Windstorm	87,346	8,709	Hail	22,478	6,694
Hail	1,259	341	Sprinkler Leakage	18,024	537
Sprinkler Leakage	5,480	1,165	Riot and Explosion	24,828	27,260
Riot and Explosion	9,549	513	Aircraft	25,733	1,279
Other Lines	187	68	* * *		
* * *			New York Fire		
Southwestern, Ariz.			Fire	\$1,946,694	\$1,339,379
Fire	\$44,222	\$14,974	Ocean Marine	—426	5,007
Motor Vehicle	—257	—	Motor Vehicle	67,667	83,555
Earthquake	1,093	—	Earthquake	5,621	10,391
Tor-Windstorm	109	—	Inland Marine	9,143	3,780
* * *			Tor-Windstorm	106,960	6,149
Sentinel, Mass.			Hail	6,149	2,307
Fire	\$365,686	\$175,786	Sprinkler Leakage	5,824	1,885
Inland Marine	187	—	Riot and Explosion	7,714	1,335
Tor-Windstorm	9,702	842	Aircraft	—5,508	8,460
Sprinkler Leakage	2,674	362	Other Lines	1,055	—
Riot and Explosion	3,142	442	* * *		
* * *			New India		
Seaboard F. & M.			Fire	\$336,559	\$233,132
Fire	\$797,334	\$351,140	Motor Vehicle	886	635
Ocean Marine	147,595	79,989	Earthquake	—323	—
Motor Vehicle	64,772	44,851	Inland Marine	7,562	1,255
Earthquake	1,324	41,462	Tor-Windstorm	1,597	98
Inland Marine	66,085	4,105	Sprinkler Leakage	8,774	73
Tor-Windstorm	29,788	97	Riot and Explosion	—	—
Hail	1,065	228	* * *		
Sprinkler Leakage	3,145	1,124	New Hampshire		
Riot and Explosion	2,268	—	Fire	\$3,837,288	\$2,285,334
Aircraft	1,107	—	Ocean Marine	138,101	67,978
* * *			Motor Vehicle	150,873	87,500
Skandinavisk			Inland Marine	43,337	31,579
Fire	\$817,789	\$534,812	Tor-Windstorm	134,613	23,852
Ocean Marine	—	1,354	Sprinkler Leakage	5,561	15,874
Motor Vehicle	1,354	1,158	Riot and Explosion	9,139	242
Earthquake	551	—	* * *		
Inland Marine	13,312	6,445	Netherlands		
Tor-Windstorm	23,415	3,129	Fire	\$405,208	\$185,954
Riot and Explosion	356	1	Motor Vehicle	119,415	142,651
* * *			Earthquake	275	—
Scottish Union & Natl.			Tor-Windstorm	34,380	1,700
Fire	\$2,971,973	\$1,987,313	Sprinkler Leakage	346	1
Motor Vehicle	300,772	196,087	Riot and Explosion	481	—
Earthquake	7,738	—	* * *		
Inland Marine	141,966	56,449	Natl. Security, Neb.		
Tor-Windstorm	132,949	22,238	Fire	\$266,934	\$141,637
Hail	4,262	986	Ocean Marine	64,751	32,944
Sprinkler Leakage	6,645	2,773	Motor Vehicle	53,981	32,231
Riot and Explosion	17,286	3,824	Earthquake	211	—
Aircraft	858	—	Inland Marine	86,562	38,366
* * *			Tor-Windstorm	33,141	6,412
Royal			Hail	2,669	876
Fire	\$7,792,306	\$4,452,905	Sprinkler Leakage	1,169	272
Ocean Marine	293,041	135,036	Riot and Explosion	1,402	551
Motor Vehicle	930,776	424,976	Aircraft	121	4
Earthquake	47,030	176	Other Lines	1,586	622
Inland Marine	206,606	55,155	* * *		
Tor-Windstorm	406,533	59,253	Natl. Reserve		
Hail	203	—	Fire	\$1,175,445	\$664,457
Sprinkler Leakage	40,266	8,327	Motor Vehicle	67,444	15,466
Riot and Explosion	42,107	6,274	Earthquake	5,136	—
Aircraft	29,011	18,556	Tor-Windstorm	62,649	6,671

"Chris" Gough is Reappointed

One of the first actions taken by the new New Jersey commissioner, Col. W. H. Kelly, was to appoint C. A. Gough as deputy insurance commissioner, putting him in direct charge of the insurance department. Mr. Gough is a competent official and has served the New Jersey department for many years. He has a wide acquaintance with insurance officials and insurance men.

Calls for Blank Changes

ALBANY, March 2.—W. A. Robinson, chairman of the committee on blanks of the National Convention of Insurance Commissioners, has sent out a notice calling for proposed changes in the annual statement blanks, which must be sent in by March 15.



1931 RESULTS

PREMIUMS INCREASED LOSSES DECREASED
EXPENSES DECREASED
NO BONDS OR OTHER SECURITIES IN DEFAULT

The Western Casualty and Surety Company

Condensed Financial Statement as of December 31, 1931

ASSETS

Government Bonds	\$334,235.00
State, County and Municipal Bonds	623,722.00
Railroad Bonds	7,975.00
Public Utility Bonds	221,450.00
Industrial and Miscellaneous Bonds	312,850.00
Public Utility Stocks	19,361.25
Industrial and Miscellaneous Stocks	994,448.16
Total Bonds and Stocks (as valued by Insurance Commissioners)	\$2,514,041.41
Accrued Interest on Bonds	24,798.08
Cash	147,370.67
Premiums in Course of Collection (not over 90 days due)	397,176.49

\$3,083,386.65

LIABILITIES

Reserve for Unearned Premiums	\$ 932,920.01
Reserve for Losses (including \$175,000 voluntary)	867,173.39
Commissions Due Agents	105,193.33
Reserve for Taxes and Expenses	45,702.36
Reserve for Security Values	103,879.14
Capital	\$750,000.00
Surplus	278,518.42

Surplus as to Policyholders

\$3,083,386.65

The Western Fire Insurance Company

Condensed Financial Statement as of December 31, 1931

ASSETS

Government Bonds	\$182,196.53
State, County and Municipal Bonds	127,258.00
Railroad Bonds	283,150.00
Public Utility Bonds	105,810.00
Industrial and Miscellaneous Bonds	309,560.00
Railroad Stocks	55,300.00
Public Utility Stocks	66,270.00
Industrial and Miscellaneous Stocks	89,536.00
Total Bonds and Stocks (as valued by Insurance Commissioners)	\$1,219,080.53
Accrued Interest on Bonds	14,164.16
Cash	65,544.60
Agents' Balances (not over 90 days due)	68,497.34
Due from Reinsurers and Other Admitted Assets	21,730.31

\$1,389,016.94

LIABILITIES

Reserve for Unearned Premiums	\$ 303,247.79
Reserve for Losses	65,329.58
Reserve for Taxes and Expenses	17,267.00
Missouri Premiums Impounded and Subject to Impounding	14,434.41
Capital	\$500,000.00
Surplus	488,738.16

Surplus as to Policyholders

\$1,389,016.94

E. C. GORDON, Secretary

HOME OFFICE: FORT SCOTT, KANSAS

RAY B. DUBOC, President

CHANGES IN THE FIELD

Missouri Supervision Plan

National Liberty, Baltimore American and Southern Fire Are to Operate as One Group

Supervision of the Missouri field for the National Liberty group and the Southern Fire has been divided. The eastern section embracing Adair, Boone, Carter, Cole, Dent, Macon, Miller, Pulaski, Ripley and Channon counties and counties east of them, is placed under the direction of State Agent Earl W. Thomas. All counties west of those named are handled by State Agent L. R. Choate. Mr. Thomas makes headquarters at St. Louis and Mr. Choate at Kansas City. Previously Mr. Thomas as state agent for the Southern Fire had jurisdiction over the entire state, Mr. Choate being responsible in the same territory for the National Liberty and Baltimore American. Under the new program both state agents repre-

sent all three companies in their respective sections.

N. C. Setup Is Changed by the State of Pennsylvania

Wakefield Mowery, who has been connected with the McAlister companies, has been appointed North Carolina state agent for the State of Pennsylvania with headquarters in the Jefferson Standard building, Greensboro. At the same time the State of Pennsylvania is withdrawing from the Hay Brothers & Reynolds General Agency at Raleigh, North Carolina agents hereafter to report to the home office. Mr. Mowery was connected for 13 years with the McAlister companies, which were recently reinsured by the Springfield F. & M.

Turner Joins Potomac

G. W. Turner, who for 10 years has been New Jersey state agent for the

Importers & Exporters, has joined the Potomac as special agent for New York suburban and New Jersey and Connecticut.

E. W. Tinsley

E. W. Tinsley has been appointed special agent for the Rochester American and the County Fire of the Great American fleet, with headquarters at Pittsburgh. He succeeds T. V. Davis, resigned.

R. H. Lewis

R. H. Lewis has been appointed state agent of the National Union Fire of Pittsburgh, covering North Carolina and South Carolina with headquarters at Greensboro, N. C. He is a native of North Carolina and until recently was special agent for the McAlister group, traveling western North Carolina. Previously he was a field man for the B. F. Adams General Agency of Mobile, traveling in Alabama.

Disposition of Ohio Field

Following the resignation of special Agent R. M. Hall, supervision of the Ohio field for the Commercial Union group has been apportioned among the remaining three special agents, F. H.

Reiss working out of Cleveland and R. E. Zimmerman and D. E. Tanner from Columbus.

T. H. Trux

T. H. Trux has been appointed marine special agent of the Home of New York with headquarters in Milwaukee, traveling in Wisconsin and the northwest. He succeeds C. R. Marsh, who was killed in an automobile accident near Fond du Lac.

McGilliard—90 Year Veteran

M. V. McGilliard of Indianapolis, well known to fire underwriters of 25 years ago as owner and operator of several fire companies, celebrates his 90th birthday Thursday of this week. He retired from active business some years ago but in recent years has done some loss adjustment work. He is a Civil War veteran. He was employed as one of Abraham Lincoln's escorts during Lincoln's presidential campaign in Illinois. Mr. McGilliard has always been active in church life in Indianapolis and was influential in the formation of a number of Presbyterian churches which are now thriving organizations.

Michigan Blue Goose Meeting

The annual meeting of the Michigan Blue Goose will be held at the Hotel Pantlind at Grand Rapids, March 8. The business meeting will be held in the afternoon. There will be a banquet in the evening. R. N. Menzies, Great American, is most loyal gander and W. T. Benallack, Michigan Fire & Marine, wielder of the goose quill. The Michigan function is always one of the big events in Blue Gooseedom.

Louisville Agency Deal

LOUISVILLE, March 2.—A deal has been completed whereby Edward J. Miller & Co., have taken over the business of the insurance department of the Louisville Trust Co.

The Miller firm also becomes agent for the Alliance, Guaranty Fire and Victory, which were in the Louisville Trust Co., agency. The Michigan F. & M. and Safeguard are not taken over.

Fred H. Lieber, vice-president of the Louisville National and manager of the Louisville Trust Co., agency department, has left that organization to become manager of the Miller agency. W. A. Stiltz, solicitor, for Louisville Trust Co., also joins the Miller agency as a solicitor. F. H. Hoeing, originally manager of the Louisville Trust Co., agency, will remain with it, in winding up its insurance matters, and probably will continue with the trust company organization.

Discuss New Auto Rates

WICHITA, KAN., March 2.—The new automobile rates recently promulgated by the National Bureau of Casualty & Surety Underwriters were the topic of discussion at the meeting of the Wichita Insurers. Lee Brown, chairman of the insurance credit bureau recently established by the board, made a report of the progress of the bureau, which is receiving enthusiastic support. Duane T. Stover presided.

New York Exchange to Elect

NEW YORK, March 2.—All officers of the New York Fire Insurance Exchange are scheduled to be reelected at the annual meeting March 9, as follows: President, R. R. Martin, United States manager Atlas; vice-president, S. T. Perrin, local agent; secretary-treasurer, H. M. Hess. Aside from the election of officers, interest in the meeting centers about the report of the advisory committee on agreement violations.

RICHARDSON GENERAL AGENT

E. F. Richardson has been appointed general agent for New York suburban by the Law Union & Rock.

AMERICAN MOTORISTS INSURANCE COMPANY

James S. Kemper, President
CHICAGO, U. S. A.

FINANCIAL STATEMENT

January 1, 1932

(Assets based on National Convention values. Reserves for depreciation set up to adjust stocks to actual December 31st market value and bonds to amortized basis. Reserve for contingencies provides for any depreciation in market value of bonds below amortized basis.)

ASSETS		Percent of Total
U. S. Government bonds.....	\$ 579,800.50	15.3
State, province, county and municipal bonds	1,493,430.00	39.5
Other bonds and stocks.....	589,550.00	15.6
First mortgage loans on real estate.....	492,086.00	13.0
Cash in banks and on interest.....	255,654.02	6.8
Premiums in transmission.....	278,012.65	7.4
Due on account of reinsurance.....	53,962.80	1.4
Accrued interest	39,642.84	1.0
Total Cash Assets.....	\$3,782,138.81	100.0
LIABILITIES		
Reserve for losses.....	\$1,642,412.40	
Reserve for unearned premiums.....	702,507.00	
Reserve for taxes, expenses and dividends	215,308.23	
Reserve for depreciation.....	100,000.00	
Reserve for contingencies.....	150,000.00	
Total liabilities except capital.....	\$2,810,227.63	
Capital stock	\$500,000.00	
Net cash surplus.....	471,911.18	
Surplus as Regards Policyholders.....	\$ 971,911.18	
Total	\$3,782,138.81	

ALLEMANNIA FIRE

Insurance Company

Pittsburgh, Pa.

Incorporated 1868

WESTCHESTER FIRE

Insurance Company

of New York

Organized 1837

WESTERN

Assurance Company

of Toronto, Canada

Incorporated 1851

UNITED STATES FIRE

Insurance Company

of New York

Incorporated 1824

=

DECEMBER 31, 1931

Capital	\$ 5,000,000
Net Surplus	7,085,008
Reserve for Depreciation in	
Securities	3,302,300
Other Liabilities	14,824,629
Assets	30,211,937

CRUM & FORSTER

MANAGERS

110 William St. New York City

=

Department Offices

Western Dept.	Southern Dept.
FREEPORT, ILL.	ATLANTA, GA.

Pacific Dept.	Carolinas Dept.
SAN FRANCISCO, CAL.	DURHAM, N. C.

Allegheny Dept.
PITTSBURGH, PA.

NORTH RIVER

Insurance Company

of New York

Incorporated 1822

=

DECEMBER 31, 1931

Capital	\$ 4,000,000
Net Surplus	6,165,949
Reserve for Depreciation in	
Securities	2,738,868
Other Liabilities	10,406,170
Assets	23,310,987

BRITISH AMERICA

Assurance Company

Toronto, Canada

Incorporated 1833

RICHMOND

Insurance Company

of New York

Incorporated 1907

METROPOLITAN FIRE

Insurance Company

of Chicago, Ill.

Incorporated 1903

SOUTHERN FIRE

Insurance Company

of Durham, N. C.

Incorporated 1923

UNITED STATESMerchants & Shippers
Insurance Company

of New York

Organized 1872

**NEW YORK STATE
FIRE**Insurance Company
of Albany, New York

Incorporated 1836

FIRE ASSOCIATION OF PHILADELPHIA

DECEMBER 31, 1931

ASSETS

*Bonds and Stocks.....	\$17,051,630.25
Mortgage Loans	3,040,512.46
Cash in Office and Banks	592,421.65
Other Assets	1,721,222.85

\$22,405,787.21

LIABILITIES

Premium Reserve	\$10,453,253.10
Claim Reserve	1,556,502.00
Reserve for Contingencies	1,100,000.00
Other Liabilities	543,935.12
Capital	\$5,600,000.00
Net Surplus	3,152,096.99

Surplus to Policyholders.... 8,752,096.99

\$22,405,787.21

O. E. LANE, PRESIDENT
J. G. MACONACHY, VICE PRESIDENT

CONSTITUTION INDEMNITY COMPANY

DECEMBER 31, 1931

ASSETS

*Bonds and Stocks.....	\$3,219,102.00
Mortgage Loans	180,400.00
Cash in Office and Banks	682,161.43
Other Assets	1,006,146.91

\$5,087,810.34

LIABILITIES

Premium Reserve	\$1,468,733.84
Claim Reserve	1,398,845.00
Reserve for Contingencies	200,000.00
Other Liabilities	268,338.27
Capital	\$1,000,000.00
Net Surplus	751,893.23

Surplus to Policyholders.... 1,751,893.23

\$5,087,810.34

O. E. LANE, PRESIDENT
F. VANDERBILT, VICE PRESIDENT
AND GENERAL MANAGER

VICTORY INSURANCE COMPANY

DECEMBER 31, 1931

ASSETS

*Bonds and Stocks.....	\$ 955,893.75
Mortgage Loans	315,687.50
Cash in Office and Banks	121,332.12
Other Assets	254,429.18

\$1,647,342.55

LIABILITIES

Premium Reserve	\$ 236,308.79
Claim Reserve	33,512.00
Reserve for Contingencies	50,000.00
Other Liabilities	22,398.97
Capital	\$1,000,000.00
Net Surplus	305,122.79

Surplus to Policyholders.... 1,305,122.79

\$1,647,342.55

O. E. LANE, PRESIDENT
J. G. MACONACHY, VICE PRESIDENT

THE RELIANCE INSURANCE COMPANY

DECEMBER 31, 1931

ASSETS

*Bonds and Stocks.....	\$1,007,051.25
Mortgage Loans	332,725.00
Cash in Office and Banks	222,977.45
Other Assets	272,985.18

\$1,835,738.88

LIABILITIES

Premium Reserve	\$ 315,623.74
Claim Reserve	33,587.00
Reserve for Contingencies	50,000.00
Other Liabilities	69,598.84
Capital	\$1,000,000.00
Net Surplus	366,929.30

Surplus to Policyholders.... 1,366,929.30

\$1,835,738.88

O. E. LANE, PRESIDENT
J. G. MACONACHY, VICE PRESIDENT

*Valuations approved by National Convention of Insurance Commissioners.

HEAD OFFICES

Fourth and Walnut Streets, Philadelphia

Departmental Offices

Chicago
AtlantaSan Francisco
DallasNew York City
Toronto

NEW YORK UNDERWRITERS INSURANCE COMPANY

CAPITAL \$2,000,000

A. & J. H. STODDART, General Agents

100 William Street - - - - - New York City

FIRE - AUTOMOBILE - WINDSTORM
BUSINESS INTERRUPTION INDEMNITY

Insurance Audits

Budgetary Control

Scovell, Wellington & Company
ACCOUNTANTS—ENGINEERS

10 East 40th Street—New York

Boston Springfield Philadelphia Syracuse Cleveland Chicago Kansas City San Francisco

AS SEEN FROM CHICAGO

HARRIGAN IN HOSPITAL

D. J. Harrigan, Illinois state agent for the St. Paul F. & M., is confined to the Evanston hospital as the result of an infection, which started with a boil.

* * *

TO ARRANGE THE PROGRAM

The committee on order of business for the annual meeting of the Western Underwriters Association to be held at Grove Park Inn, Asheville, N. C., April 19-20, consists of George C. Long, Phoenix of Hartford, chairman; W. N. Achenbach, Aetna; Robe Bird, American of Newark; S. M. Buck, Fireman's Fund, and A. F. Powrie, Fire Association.

* * *

PROMOTING NEW LLOYDS

P. A. Cooney, who has been helping in the promotion of the Continental Lloyds of Chicago, is now promoting the International Lloyds in that city.

* * *

BROKERS' LECTURES START

The three primary purposes of the Chicago Board are to protect insured's interests, maintain uniform practices among insurers and maintain the fire insurance patrol for the benefit of all, R. T. Nelson, assistant to Manager Ernest Palmer, told brokers in the first of a series of lectures sponsored by the Insurance Brokers Association of Illinois and held in the Chicago Board's auditorium. He discussed makeup of the board's various departments and declared its engineering department is one of the most efficient organizations of its kind in the country. The sound film, "The Municipal Salvage Man," was shown, featuring Chief Frank C. McAuliffe of the Chicago fire insurance patrol. Chief McAuliffe was present and urged brokers to cooperate more fully. The next meeting, Friday afternoon, will be devoted to the fire insurance contract in another talk by Mr. Nelson.

* * *

FEBRUARY LOSSES NUMEROUS

A number of companies in the central west suffered heavy and numerous losses in February. January was a fairly good month in the central western field but February emerged full of trouble and turmoil. There is no special reason for this showing.

* * *

DETAILS KEEP UP

Daily report examiners find that the details are keeping up in spite of less business. In most instances offices report about the same number of dailies are coming through. This is due to the fact that term policies to a large extent are being placed on an annual basis. Many assureds have cut down on their indemnity. Considerable extra work is due to change in title owing to receivership, trusteeship and the like. It is often found that many people are simply passing up paying on their mortgages and they revert to the original owners. The occupants become renters. Because of a change in title there is much additional work.

* * *

COLLECTIONS ARE TIGHT

Field men report collections as still very tight. Many companies are studying the collection situation and where accounts are over 60 days old they are requiring field men to send in a financial statement or report on the agency to see whether it has any hope of pulling out. Some agencies regardless of the agonizing experience of last year have not gotten their offices on a solid basis and are still carrying a lot of dead timber.

* * *

BOWLING MEN IN TOURNAMENT

The Chicago Insurance Bowling Association, composed of representatives of various insurance offices, is sponsoring a handicap bowling tournament in

which double and single events will be featured. The entry fee is \$1 per man for each event. The tournament will be held at 1213 North Clark street, April 2, 3, 9 and 10. J. W. Waterson, the secretary, is located at Room A235 Insurance Exchange. Entries should be made with him. The closing date has been put at March 15.

* * *

SPRINGFIELD MEN IN RALLY

A round up of field men in the western department of the Springfield F. & M. except for three states, was held in Chicago last week. President G. G. Bulkeley, Third Vice-president W. A. Hebert and Advertising Manager C. E. Freeman being on hand from the home office. The Ohio, Indiana and Michigan field men attended the Pittsburgh meeting. John C. Harding and W. H. Lininger, western managers, were on deck as well as other officials of the western department. S. K. Bjornson, assistant manager Rain & Hail Bureau, delivered a talk on hail insurance.

* * *

ADDRESS CANDIDATES

Illinois candidates for the office of governor have been mailed a statement endorsed by the Illinois chamber of commerce in which they are urged to approve a movement to divorce the insurance department from the department of trade and commerce, to eliminate all politics from insurance matters and to establish the state insurance department on a par with other departments of the state. The request for the endorsement comes from the insurance committee of the state chamber, headed by John H. Camlin of Rockford. Candidates were assured that the endorsement of this program would prove popular with business people and the public at large and would entail no additional expense. Accompanying the request was a report of the special committee of the insurance committee which has been investigating the situation. The subcommittee consisted of C. M. Cartwright, THE NATIONAL UNDERWRITER, chairman, J. C. Belden, Chicago, Belden Manufacturing Company, H. B. Hill of Springfield, president Abraham Lincoln Life, and S. E. Moisant, Kankakee, secretary Illinois Association of Insurance Agents.

* * *

H. T. JOHNSON ON SICK LIST

Harry T. Johnson, Illinois state agent for the Globe & Rutgers, has been confined to his home in Glencoe for two weeks by an ailment, which will probably prevent him from returning to work for two more weeks.

* * *

CHICAGO FIRE LOSS GIVEN

Chief McAuliffe of the Chicago Fire Insurance Patrol reports that the insured fire loss in Chicago in 1931 was \$9,502,023. Losses to buildings were \$4,793,701 and to contents \$4,708,321.

In alarm fires, the losses to buildings were \$4,628,657 and to contents, \$4,320,500. In silent fires, losses to buildings were \$165,044 and to contents \$387,820.

The amount of insurance carried on property involved in fires was \$478,126,418. The average property fire loss covering both insured and uninsured was \$13,447,356 for the years 1927-1931, inclusive.

The Chicago fire loss in 1931 by months follows:

Jan.....	\$ 947,136	July	812,706
Feb.....	994,836	Aug.	600,506
March	940,086	Sept.	470,762
April	1,296,216	Oct.	580,871
May	868,437	Nov.	407,735
June	669,292	Dec.	813,431

* * *

OPENS CHICAGO BRANCH

The Union of Indianapolis is opening a branch office in A-1504 Insurance Exchange, Chicago, in charge of A. A. Braband as manager. This company writes full coverage automobile and plate glass insurance. Mr. Braband's

telephone number is Wabash 3311. The Union established a general agency in Chicago some time ago but abandoned it. It has been writing spasmodic business in the city since. Mr. Braband will put on an aggressive campaign. He is well known in the Cook county field. He has been connected with the business for 23 years. For a long time he was associated with the Royal in Cook county and then the National Union. Recently he has been a broker. The Union was organized in 1849. Its capital is \$200,000. It is a first-class company in every respect.

THREE IN AUDITOR RACE

Three Illinois insurance men are contesting in the Republican primaries for state auditor. They are **W. Rufus Kendall**, who was for many years chief examiner in the Illinois department; **T. J. Houston**, head of the adjusting firm of T. J. Houston & Co., imperial potentate of the Shrine, and former Illinois insurance superintendent, and **I. Jay Brown**, broker attached to the R. H. Beard & Co. agency, Chicago.

FIELD ROUNDUP IS HELD

The western department of the Providence Washington and Virginia Fire & Marine had a round up of field men in Chicago last week with Manager John R. Cashel as host. Vice-President Fred B. Luce came from the home office of the Providence Washington and Vice-President B. C. Lewis from the Virginia F. & M.

R. D. Clark, general manager of the General Cover Conference, has been in Chicago on business.

As Seen from NEW YORK

NEW YORK CITY'S FIRE CHIEF

J. J. McElligott, who has been named chief of the New York City fire department in succession to John Kenlon, resigned a year ago, joined the fire fighting force when he attained his 21st birthday, meantime having taken a course in engineering at Syracuse University. While captain of engine company No. 6 Mr. McElligott was the first to reach the Equitable building fire in January, 1912, which Fire Chief Kenlon declared to be potentially the most dangerous one he ever fought. Mr. McElligott has been an assistant chief for something over a year.

CALHOUN AT NEW YORK OFFICE

Following attendance at the semi-annual meeting of the New Jersey Association of Underwriters at Trenton Feb. 25, at which he was one of the guest speakers, **W. B. Calhoun**, president National Association of Insurance Agents, spent the following day at the office of the latter organization in New York city, leaving later for his home in Milwaukee. His next public appearance will be at the mid-year gathering of the National association at Cleveland, March 22-24. Thereafter he will likely make the circuit and address agency bodies in widely separated parts.

NEW YORK LEGISLATION

Following hearings at Albany on several measures proposing amendments to the insurance laws, introduced at the request of the department, the general impression is that those calling on non-state companies owned by home institutions to maintain all of their assets in New York, and forbidding the investment by state companies in affiliated enterprises, will die in committee. Nor is it regarded as probable that Superintendent Van Schaick will make further effort to secure their enactment.

Opposition was offered to the agents' qualification bill, the passage of which is ardently championed by the agents'

association, mainly through its lack of clear definition as to what constitutes an agent; absence of a financial responsibility feature, and the \$5 charge it would impose on all applicants for licenses. While the measure, which was defeated last year, has been amended in certain particulars, it is yet held to be unacceptable to the companies, which insist that it be still further revised before it receive their endorsement.

IS OPENING PARIS OFFICE

The American Foreign Insurance Association is opening a branch office in Paris with **H. E. Guerrini** as manager.

He has been manager of the Mediterranean business of the organization for the last 12 years. Heretofore the association has handled the business in the Paris area through general agents. **C. T. Endemann**, European underwriter in the head office of the association in New York, has gone to Paris to assist in establishing the branch.

ROYAL EXCHANGE OFFICIALS HOME

Three head office officials of the Royal Exchange group have returned to New York after a trip of about a month through the west, during which they visited, among other cities, Omaha, Milwaukee, Cleveland, St. Louis and

Chicago. The officials were **Arthur Waller**, assistant United States manager; **R. E. Stevens**, general agent, and **C. M. Smith**, superintendent of the claim department.

Unemployment Is Acute

To illustrate the extent of unemployment among field men, in answer to a blind "ad" in THE NATIONAL UNDERWRITER for a special agent, the manager who inserted the "ad" got 61 replies. Except for half a dozen, all of those who applied were without jobs.

A blind "ad" for an automobile underwriter brought about 200 replies.

EQUITABLE

Fire & Marine Insurance Company

PROVIDENCE, R.I.

In the statements submitted to the several States this year the figures representing the resources of this Company, valued on the basis of what is known as the Connecticut formula, are as follows:

Assets, - - - - -	\$ 6,592,763.76
Liabilities, - - - - -	2,152,921.17
(Including customary reserves, as well as reserve to adjust security holdings to true value December 31, 1931)	
Capital, - - - - -	1,000,000.00
Surplus, - - - - -	3,439,842.59
Surplus to Policyholders, - - - - -	4,439,842.59

On the basis of market values of December 31, 1931, the items quoted above are as follows:

Assets, - - - - -	\$ 5,612,595.76
Liabilities, - - - - -	1,789,193.17
Capital, - - - - -	1,000,000.00
Surplus, - - - - -	3,023,402.59
Surplus to Policyholders, - - - - -	4,023,402.59

Because of the serious situation confronting the affairs of all classes of corporations, we believe that agents generally realize the necessity of making a careful study of the financial condition and character of the companies they represent. The price of Stock Insurance is pretty much the same, generally speaking, and buyers of insurance who entrust the selection of companies to their agents have a right to expect that they will be given the best indemnity that the market affords. We have good reasons for believing that in a larger measure than ever before people are investigating the financial standing of the companies whose policies they are given.

E. W. McElligott
President.

THE NATIONAL UNDERWRITER

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NORA VINCENT PAUL, Vice-President; WILLIAM A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

C. M. CARTWRIGHT, Managing Editor
LEVERING CARTWRIGHT, Asst. Managing Editor
FRANK A. POST, Associate Editor
CHARLES D. SPENCER, Associate Editor
DALE R. SCHILLING, Associate Editor

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A. J. EDWARDS, Resident Manager

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W. J. BATH, Resident Manager

NEW ENGLAND OFFICE
139 Summer St., Weymouth, Mass., Tel. Wey. 2158-R
J. M. DEMPSEY, Resident Manager

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Sticking Close to the Beaten Path

THE results of the last two years might convince some people observing superficially that the casualty and surety business has been relegated to the bow-wows, that there is no more hope of making a reasonable profit and that what was once an attractive field for investment has proved a mirage. Yet as one analyzes the returns and does some constructive thinking he reaches the conclusion that "all who enter here need not leave hope behind."

It is true that contingencies of various kinds, unforeseen forces and unprecedented conditions have had a demolishing effect on casualty and surety companies. The last two years or so have taught some lessons. When one has to scratch gravel he begins to be careful. Perhaps the greatest lesson to be learned is the fact that danger ever lurks when one wanders very far from the beaten path. Margins of profit are small in insurance. Competition has gotten net earnings down to a rather thin point.

There are boundaries beyond which a company cannot go and not be quite badly burned. There is a maximum of expense. There are top commission costs. There is certainly a point in overhead beyond which a management should not go. Then again there are underwriting rules, standardized by

many years of experience, that must be followed if permanency is the goal. There are things that a company can and cannot do. There are investment principles that are very well established.

In other words, one cannot make money in the casualty and surety field without being conservative. Once a company begins to plunge, cut corners, worship strange gods, depart from old established principles, run counter to lessons of experience, it will find itself in dire trouble.

Therefore, a company management that is not seeking volume but quality, that has its mind on net profits rather than gross returns, that is adhering very closely to those well formed and definitely cast rules of procedure in all departments which are regarded as reasonable and secure certainly has not so much to fear. No one yet has been able to defy economic and business laws and come out whole. He may think he is a Moses and can do something that no one else has been able to do but ultimately he will find there is no way to the desired goal than running true to form. There are no clever bags of tricks, no feat of legerdemain that will bring profit. It comes from industry, intelligent thinking, sound management, conservative judgment and playing the game strictly according to Hoyle.

Covered With a Veneer

MANY people whom one meets during the day never reveal themselves in the slightest. They move along confined in a sort of an opaque shell. They might be compared to a closed book. One can never tell what is between the covers.

Criticize the Remedy

MANY people in attempting to analyze their faults seek a remedy whereby they may be cured or at least some improvement may be made. Perhaps they do not go at the task in a sensible, determined way. If results are not forthcoming as they think they should be, they are apt to criticize the remedy, instead of going after the faults themselves.

PERSONAL SIDE OF BUSINESS

Louis C. Walsh, 73, for the past ten years president of the Walsh-Lascelles Company, Buffalo, N. Y., local agency, and an active figure in the business there for many years, died last week.

J. M. Eaton, assistant general manager of the American Mutual Alliance, is bereaved by the death of his wife. Mrs. Eaton died at the age of 46 after an illness of almost a year. Funeral services were in Chicago and burial was in Detroit. Mr. Eaton has a wide acquaintance in the business, being one of the convention stalwarts, and he is receiving many messages of sympathy.

Representatives in the insurance business were out in force at the funeral of Capt. J. J. Conway, superintendent of the Cincinnati Underwriters Salvage Corps. John A. O'Donnell, superintendent of the St. Louis Salvage Corps, and Will Curran, superintendent of the Indianapolis Salvage Corps, were present. A large delegation of members of the Cincinnati Fire Underwriters Association and many Ohio field men were present. Pallbearers drawn from ranks connected with the insurance business included W. H. Clemons, J. L. Kohl, C. C. Rothier, William Stredelman and R. T. Huggard.

Since the passing of Captain Conway, Cincinnati papers have contained many articles commenting upon his personal prowess and his community service. One writer said that Captain Conway had saved more money to the citizens of Cincinnati than any other single individual, estimating that a \$2,000,000 a year saving in insurance premiums in the last 15 years amounted to \$30,000,000.

In recognition of the completion of 50 years' service with the Buffalo by Secretary C. A. Georger, his colleagues presented him with resolutions expressing esteem and with a suitable gift.

Col. H. C. Hare of Jacksonville, Fla., head of the general agency of H. C. Hare & Co., a nephew of J. Montgomery Hare, for many years United States manager of the Norwich Union Fire, is dead at the age of 65. The general agency was established in 1896. It had represented for 35 years the National of Hartford, Scottish Union & National, London Assurance and State of Liverpool. It had the Royal Indemnity.

A. D. Dulaney, Arkansas insurance commissioner since January, 1931, has announced he will make the campaign for the Democratic nomination for Congress from the Fourth Arkansas district, now represented by Mrs. Effigene Wingo, widow of the late Congressman Otis T. Wingo. Two years ago, when Mr. Wingo died, Mr. Dulaney withdrew in favor of Mrs. Wingo and made possible her nomination. Mr. Dulaney was deputy commissioner during the tenure of W. F. Floyd, who resigned during the investigation of the Home Life and other Arkansas companies.

Warren C. Hall, 53, who has been special agent in New Jersey for the Philadelphia F. & M. for the past 20 years, died last Friday at his home in Newark after a lingering illness. Mr. Hall was one of the best known special agents in the state and had a wide acquaintance.

J. H. Macfarlane of Chicago, secretary of the America Fore companies at the western department, went to Salt Lake City last week to be present at the interment of his brother, George, stage and screen actor, who died in a hospital at Hollywood after he had been injured by an automobile. Mr. Mac-

farlane was under contract with Fox and formerly appeared in musical comedies in New York. His latest film role was in "Union Depot." Mrs. Macfarlane is also on the stage, being at present with Al Jolson, who has an engagement at Kansas City, Mo. She went on also to Salt Lake City.

A. T. Vanderbilt, chairman of the board of the Public Fire and Public Indemnity, attended the alumni week-end of Wesleyan University last Saturday. He is a member of the executive committee of the alumni council.

William E. Wollaeger, president of the Concordia, and Mrs. Wollaeger have gone to Miami, Fla., for a vacation.

Word has been received by Ernest Sturm, chairman of the board of the America Fore group, of high honors attained by his daughter, Miss Ruth Foster Sturm, now a senior at Vassar. Miss Sturm has been elected a member of the honorary society of Phi Beta Kappa. She entered Vassar four years ago with honor grades following her school work in Berkeley institute and Glenwood road school, Brooklyn. Last summer Miss Sturm studied French in Lausanne and German in Berlin University.

The death of the veteran F. A. Rothier, chairman executive committee Eureka-Security Fire & Marine of Cincinnati, makes William Stredelman the second oldest insurance man in point of service in Cincinnati. He came into the business in 1873, in the office of White & Lawrence. The oldest in point of service is Charles F. Runck, who joined the old Circuit Insurance Co., located on the Public landing in 1867.

Bush W. Allin, Kentucky insurance commissioner, recently injured by gunshot in an attempted suicide, is reported to be getting along nicely and is regarded as certain of recovery, as the injury is now old enough so that little danger remains except as regards blood poisoning.

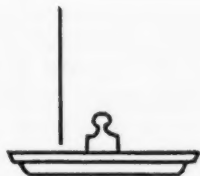
Commissioner C. D. Livingston of Michigan is recovering from a tonsil operation performed last week and is expected to be ready to function again as a speech-maker within a few weeks.

Mr. and Mrs. Clarence W. Price, Independence, Kan., announce the birth of a son whom they have named Clarence William, Jr. Mr. Price is connected with the branch office of the Kansas Inspection Bureau at Independence.

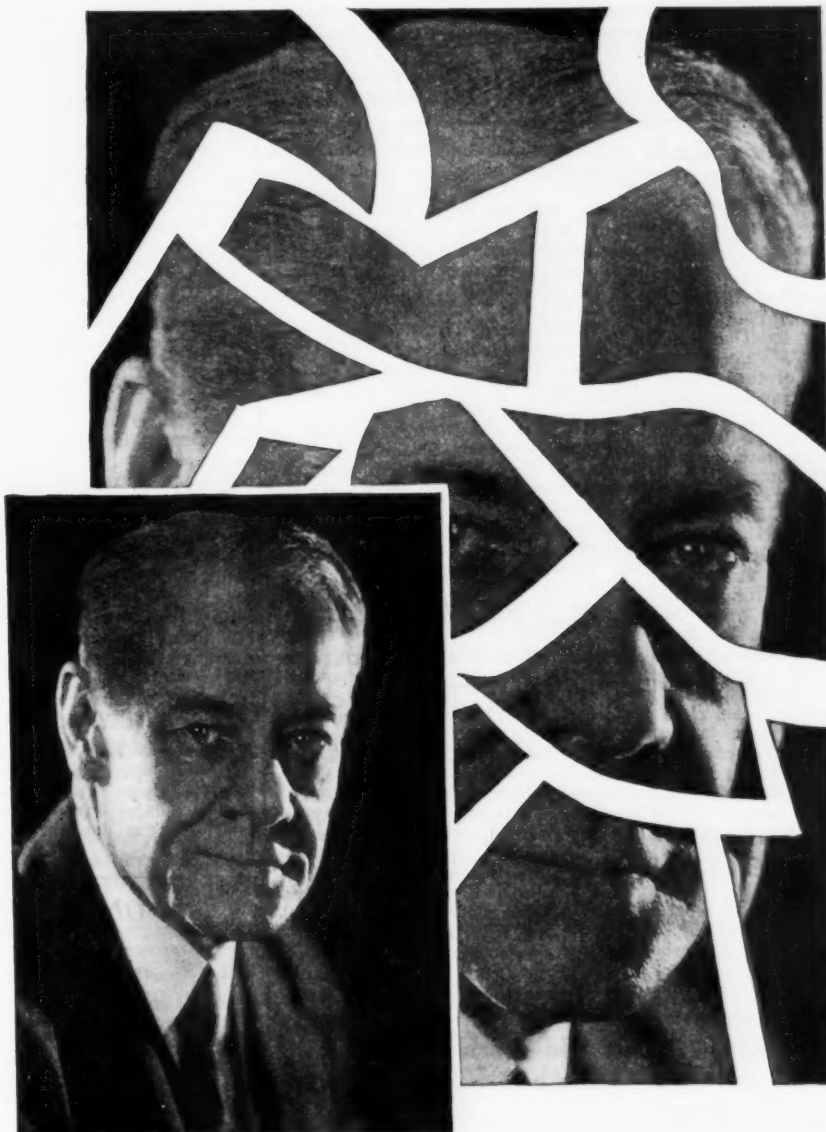
J. B. Levison, president of the Fireman's Fund group, is on an extended trip in the east, where he will remain until the latter part of March.

S. J. Johnson, vice-president of Mullin, Johnson Co., was asphyxiated by carbon monoxide at his home in San Francisco last week. Mr. Johnson, who was a native of Chicago, went to the Pacific Coast about 15 years ago when the Central Fire Office was established in San Francisco. He later engaged in the brokerage business and was associated with the general agency firm of Mullin-Acton, which recently went into the hands of receivers, until about three years ago. When the Pacific Board adopted a rule forcing the separation of brokerage business from general agencies, he and G. H. Mullin, president of Mullin-Acton, formed the brokerage firm of Mullin, Johnson Co.

Randolph Buck, Chicago, manager of the Western Factory, is on a vacation in Florida. He first went to Jacksonville and then to Ft. Lauderdale.



A Hooper-Holmes
inspection is the
Ounce of Prevention
for your business.



PUTTING THE PIECES TOGETHER-

Gathering information for confidential reports is like piecing together the parts of a picture puzzle. Each individual bit of intelligence may be of little value by itself, but correctly correlated to other parts it contributes to the building of the "word picture." The Hooper-Holmes Bureau in its inspection and investigation work employs a large, trained personnel located throughout the United States and Canada, and has in addition thousands of correspondents, who provide the parts to the picture. This information is then sorted, arranged and

dovetailed into the final report; the complete, clear cut picture.

Character, moral stability, virtues and vices cannot be surmised, they must be known. The modern business executive who deals with moral make-ups appreciates the value of visualization as provided in an inspection report.

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THE HOOPER-HOLMES BUREAU, Inc.

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Paul Agency Is Reorganized

Company Committee Has Been Assisting in the Work—Cragg Is General Manager

The company committee that has been assisting Mrs. M. V. Paull in reorganizing the Alfred Paull & Son agency at Wheeling, W. Va., reports that the new personnel of the general agency is Mrs. Paull, president and treasurer; H. E. Sands and H. E. Cragg, vice-presidents; C. J. Johnson and J. A. Phillips of Charleston, secretaries, and H. W. Drum, comptroller.

Mr. Sands is Mrs. Paull's uncle and is a Wheeling banker. Mr. Cragg is to be general manager of the office and will be on hand March 15. He has had five years' experience as rate maker and inspector with the West Virginia Inspection Bureau. For nine years he was local agent at Huntington and four years as a special agent, having been representing the Fireman's Fund group in West Virginia for the last two years. Mr. Drum has been for nine years chief accountant of the Wheeling Fire. James Jackson goes to the general agency as chief examiner. Mr. Phillips and Mr. Johnson are field men connected with the agency.

The agency represents the American, Agricultural, Columbia of Dayton, Franklin National, Fulton, Hanover, Newark Fire, Trans-Continental, London Guarantee & Accident. The office has been moved to the Hawley building. C. C. Hewitt is acting as chairman of the company committee.

East Broad Street Becomes a Real Insurance Boulevard

COLUMBUS, March 2.—East Broad street in Columbus is fast becoming an insurance boulevard. Starting with the American Insurance Union citadel, perched on the east bank of the Scioto river, 555 feet high, it might be regarded as the beginning of insurance row even if it is on West Broad street. East Broad starts at the state house and in the Outlook building is the home of the American Citizens Life. Going out further at the corner of Grand is the handsome home of the Ohio State Life, a three story white stone structure. It has in contemplation a large addition to the building. Next comes the attractive home office of the State Automobile Mutual. A little further on is the head office of the Columbus Mutual Life, it having taken one of the delightful old residences on the street and remade it into a home office. At Washington and Broad, the Buckeye Union Casualty of Jackson, O., purchased a residence. It is being remodeled and the company expects to move into it the middle of the month. Work will soon be started on a new home office building for the Ohio Inspection Bureau and Ohio Audit Bureau at Ninth and Broad streets. It is probable that this structure will be ready about the middle of November.

West Virginians to Meet at Elkins; Hit Auto Raises

CHARLESTON, W. VA., March 2.—The executive committee of the West Virginia Association of Insurance Agents, following a meeting here at which the brief of the National Bureau of Casualty & Surety Underwriters in

support of the proposed increase in automobile liability and property damage rates was reviewed, filed a formal protest with the West Virginia department against the proposed increase. Commissioner Lawson notified the bureau that the reasons stated in the brief are not sufficient in his opinion to justify the increase.

The association also adopted a resolution recommending that the 10 percent merit rating discount be allowed the assured at the expiration of his policy rather than at its inception.

Elkins was chosen as the place for the 1932 convention of the state association, which will be held some time in June, although definite dates were not set. Sixty-five agencies were represented at the meeting, which was arranged by Harlan Justice of Huntington, executive secretary.

Dwelling Fires in Cincinnati Show a Material Increase

The National Fire Protection Association states that the fire prevention committee of the Cincinnati chamber of commerce is inactive. The engineers in visiting the city have urged the renewal of activities. A proposed new building code is now before the city council. There is a plan under way to reorganize the drill school and the work of the fire prevention bureau. The engineers say that the percentage of dwelling house fires in Cincinnati is large and appears to be increasing.

Last year the fire loss in Columbus was \$117,819, the lowest in 25 years.

Splendid Work Is Done by State Fire Marshal Office

Seventeen indictments for violating the arson laws are reported by State Fire Marshal Henry of Ohio for January. Four confessions were obtained.

Sixteen convictions and six acquittals were the result of trials during the month. Eight of these convictions were obtained in Cleveland and three for setting of fires in Mellilo. Twenty-one indictments are pending.

The total expenditure of the fire marshal department in 1930 amounted to \$138,000 and in 1931 to \$110,000. Deputy fire marshals investigated 1,319 fires in 1931. As a result of these investigations, 54 persons were convicted of arson and kindred crimes, 37 confessions were secured, 122 arrests were made, 109 indictments returned and two trials ended in disagreement.

Mid-Year Meet Open to All

CLEVELAND, March 2.—Announcement is made that all Cleveland insurance men, whether members of the Cleveland Board or National Association of Insurance Agents or not, will be invited to attend the mid-year meeting in this city March 22-24. Cleveland has the coextensive rule by which all board members belong to the National association. The entertainment committee has completed its arrangements for both ladies and men attending the meeting and has outlined a full schedule of activities.

Ohio Inspection Plans

The Ohio Fire Prevention Association will inspect Lebanon March 16 and Piqua April 27. Arrangements also are being made for an inspection at Painesville but the date has not yet been fixed.

Ohio Notes

The Berndt Insurance Agency, Portsmouth, O., has been incorporated by Erma M. Berndt and others.

The C. S. McGuire Agency of New Carlisle, O., has been taken over by J. R. Dean, who will continue to operate it as the McGuire Agency.

The Edward H. Smith Insurance Agency, Cleveland, has been incorporated by R. D. Bovington, R. L. Alexander and L. L. Goodman.

The Guy D. Wilson Agency at Hicksville, O., is making plans to celebrate the 50th anniversary of its founding. The agency was founded by Mr. Wilson's father.

CENTRAL WESTERN STATES

Are Affected by Moratorium

Collections Are Complicated Where Banks Have Put Into Effect Rather Rigid Restrictions

In some points of Illinois banks have declared a moratorium, paying only 5 percent per month on old deposits but placing no restrictions on moneys deposited after that time. In some cases a moratorium has been extended over the entire county so that all banks are in the agreement. This has complicated the collection problem to a considerable extent. This action has tied up bank accounts. Field men find that in these communities collections are affected more by moratoriums than actual bank failures. The banks, however, have the backing of the community in their action.

Department in Last Minute Rush with License Work

The effective date, March 1, for the new Illinois agents and brokers license laws has arrived. H. Walter Hanson,

Jr., who is in charge of the licenses, reports that the last minute jam was terrific. There were phone calls and telegrams by the score, inquiring about various features of the laws.

In order to expedite matters, Mr. Hanson says that the necessity of sending agents applications, cards and checks at the same time the temporary license for 30 days is filed, has been waived.

The companies, according to Mr. Hanson, should send in temporary license blanks as soon as possible. He says that these blanks have been in the hands of companies in ample time for them to comply. All applications which have been received from companies have been examined and passed upon promptly, Mr. Hanson reports. This is a creditable showing, inasmuch as no additional persons have been put on the payroll.

New Quarters at Detroit

The Marsh & McLennan, S. S. Glass Corporation at Detroit, which has moved to the First National Bank building, has laid out its new quarters according to the most modern banking practice, with all officers easily accessible to the agency's clients in one

Handle Agents' Licensing Efficiently in Michigan

LANSING, MICH., March 2.—The Michigan department is making a special effort this year to handle the agents' licensing activities more efficiently than ever before and, in order to expedite the issuance of licenses promptly on April 1, the companies and their special agents have been requested to prepare lists immediately of those agents whose licenses they wish renewed.

The licensing division is checking more closely than ever before into the qualifications of agents and those with bad records are being eliminated. It has been anticipated by department officials also that the companies would weed out some of their unproductive representatives in the interests of economy. It is still expected that there will be fewer licenses issued to fire agents. Some of the early requisitions for casualty licenses, however, indicate that there has been no tendency toward elimination in that field. One company which had about 500 licensed a year ago is this year asking for the licensing of more than 600.

The licensing division, under R. M. Morse, has become a highly systematized branch of the department and much more definite information is available than in the past. To Jan. 1 the division had issued 69,237 licenses since April 1, the beginning of the license year. The number of individual agents, however, is probably less than one-third the license total. There have been about 3,000 cancellations since April 1.

large, open room with senior executives ranged along the windows and junior executives along the rail and clerks and stenographers between. The resident vice-presidents in charge of activities in the Detroit area are S. S. Glass, E. E. Marion, A. G. Crandall, E. S. Raymond and L. E. Thomas.

Gambickler with Hannan Agency

E. W. Gambickler has been appointed vice-president of the Hannan agency of Detroit, which conducts the insurance business of the Hannan Real Estate Exchange. For the last 20 years Mr. Gambickler has been in insurance work and since 1924 has been identified with Detroit agencies. Formerly he was located in the east in the insurance business.

Levin Before Rockford Club

Samuel Levin, well known insurance attorney of Chicago, is addressing the Rockford Insurance Club Thursday evening of this week. The club is composed of members of the staff of the western departments of the Security of New Haven and the American of Newark.

Edleman Now in Charge

Assistant Manager Glenn Edleman is handling the Detroit and Wayne county department for all companies in the Home fleet except the National Liberty group. Manager L. C. Nichols resigned the middle of the month. Mr. Edleman continues as assistant manager.

Michigan Ratio Not Excessive

LANSING, MICH., March 2.—Michigan's fire loss ratio for 1931 is not likely to exceed that for 1930 and it may prove slightly lower, according to a preliminary check of reports already on file. Loss ratios of about 30 companies compared with the 1930 figures, make a decidedly better showing for 1931. Some of the largest companies, from the

LOYALTY GROUP

TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven: that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D. History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D., and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

NEAL BASSETT, President.

JOHN KAY, Vice-President and Treasurer A. H. HASSINGER, Vice-President NEAL BASSETT, President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President
FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

HENRY M. GRATZ, President WELLS T. BASSETT, Vice-President NEAL BASSETT, Chairman of Board JOHN KAY, Vice-President A. H. HASSINGER, Vice-President ARCHIBALD KEMP, 2d Vice-President
THE GIRARD FIRE AND MARINE INSURANCE COMPANY

JOHN KAY, Vice-President A. H. HASSINGER, Vice-President NEAL BASSETT, President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President
THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

JOHN KAY, Vice-President A. H. HASSINGER, Vice-President NEAL BASSETT, President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President
NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

JOHN KAY, Vice-President A. H. HASSINGER, Vice-President NEAL BASSETT, President WELLS T. BASSETT, Vice-President ARCHIBALD KEMP, 2d Vice-President
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THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

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MILWAUKEE MECHANICS' INSURANCE COMPANY

J. SCOFIELD ROWE, President EARL R. HUNT, Vice-Pres. H. S. LANDERS, Vice-Pres. & Gen'l Counsel S. K. McCLURE, Vice-Pres. JOHN KAY, Vice-Pres. S. WM. BURTON, Vice-Pres. J. C. HEYER, Vice-Pres. A. H. HASSINGER, Vice-Pres. WELLS T. BASSETT, Vice-Pres.
THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

C. W. FEIGENSPAN, President JOHN KAY, Vice-President H. S. LANDERS, Vice-Pres. & Gen'l Counsel W. VAN WINKLE, Vice-President E. C. FEIGENSPAN, Vice-President NEAL BASSETT, Chairman of Board A. H. HASSINGER, Vice-President WELLS T. BASSETT, Vice-President
COMMERCIAL CASUALTY INSURANCE COMPANY

WESTERN DEPARTMENT
844 Rush Street, Chicago, Ill.
H. A. CLARK, Manager
Ass't Managers
H. R. M. SMITH
JAMES SMITH

EASTERN DEPARTMENT
10 Park Place
Newark, New Jersey
CANADIAN DEPARTMENT
461-467 Bay St., Toronto, Canada
MASSIE & RENWICK, Ltd., Managers

PACIFIC DEPARTMENT
San Francisco, California
60 Sansome Street
W. W. & E. G. POTTER, Managers
Ass't Managers
FRED SULLIVAN CHAS. H. GATCHEL

LOYAL TO PRINCIPLE—TO LOYAL AGENTS, LOYAL

standpoint of Michigan business written, showed a materially improved experience, although losses in quite a few cases were still obviously excessive. It is believed the eventual loss ratio will run no higher than 55 percent, the 1930 figure, while 52 or 53 percent would not be surprising. In view of the greatly reduced volume, any improvement in experience is obviously welcome.

Opens South Bend Branch

George L. Ramey of the G. L. Ramey Agency, Indianapolis, believes that now is an opportune time to strengthen the "outposts" of his agency and is planning to establish branch offices at favorable points. The first office to be opened will be at South Bend, Ind., with others to follow as soon as possible. Harrison H. Derrick, who has been special agent of the Ramey agency in Ohio for the past year, will be in charge. Mr. Derrick is not only a competent field man but an experienced loss man as well and is able to give complete service for the agency in northern Indiana.

"Torch" Given Prison Term

BAY CITY, MICH., March 2.—Culminating a two-year effort to round up the persons responsible for the incendiary fire which wrecked the Nolet Packing Company plant in January, 1930, Ralph Fulco, confessed "torch" who set the blaze, was sentenced to serve from 3½ to 10 years in the state prison. Fulco was apprehended recently in San Diego, Cal., after having been a fugitive since investigation began.

Indiana Notes

Wayne Kehoe has opened an office of his own and reentered the local agency business at Terre Haute, Ind.
Yaste, Zent, Waterfield & Co., Fort Wayne, Ind., has been incorporated by

G. A. Zent, C. H. Yaste, Richard Waterfield and D. F. Waterfield.

The Insurance Underwriters has been incorporated in Indianapolis by B. K. Elgin, J. H. Elgin and L. C. Loughry.

I. H. Riley has been placed in charge of Indianapolis business of the Grain Dealers National Mutual. Mr. Riley formerly was with the Theodore Stein agency for seven years and has been in California for two years.

F. A. McGlone has opened a new agency at Kokomo, Ind. All lines will be handled. Mr. McGlone has just returned to Kokomo after being in the insurance business in Chicago for several years.

DeWitt T. Hobbs, who has been assistant manager of the insurance department of the American Trust & Savings bank of Evansville, Ind., has been appointed assistant manager of the South Bend, Ind., office of the Travelers Fire.

Michigan Notes

J. F. Viele, who lately retired from the hotel business in Buchanan, Mich., has opened a general agency there.

W. W. Springer, Inc., Ann Arbor, Mich.,

has been incorporated by W. W. Springer, Ruth M. Springer and Mildred Bertke.

The Dean W. Howland Co., Detroit, has been incorporated by Dean W. Howland, Margaretta C. Howland and Ruth A. Young.

Allen J. Beach, 61, local agent of Flint, Mich., for many years, died of heart disease at his home there after four months' illness.

Edgar W. Smith, who has operated the Smith Automobile Agency in Wyandotte, Mich., has entered into a partnership with H. J. Lutz and J. L. Guichard.

Phil O'Connell of McGregor, Mich., has been appointed by Commissioner Livingston as a deputy fire marshal and special investigator for the insurance department.

H. C. Lebeda has been made a partner in the Miles C. Rider agency, Lansing, Mich., and the name changed to the Rider-Lebeda Agency. Mr. Lebeda has been connected with the agency since it was founded four years ago.

S. J. Greenberg has taken over the business of the Greenberg Insurance Agency, Detroit. He has been secretary-treasurer. The agency was formerly headed by J. R. Greenberg as president and Maurice Greenberg, vice-president.

STATES OF THE NORTHWEST

Report on Sioux Falls, S. D.

National Board Finds Losses Low, Water Supply Good But Fire Department Deficient

The National Board reports the gross fire loss in Sioux Falls, S. D., for the past three years at \$249,601, with an average loss per fire of \$400, "a low figure," and the average loss per capita \$2.52, "a low figure."

The water supply works were declared to be fairly adequate and reliable; the distribution system strong except in the southern part of the city. Deficiencies in organization, manning, training and equipment has seriously decreased

the effectiveness of the fire department. The fire alarm system is inadequate, unreliable and practically unused.

In the principal mercantile district, large and excessive fire areas in fire-resistively weak types of construction combine with the considerable amount of frame construction to make serious fires possible, which should be prevented from extending beyond the block of origin. The general conflagration hazard is materially reduced by the adequate but somewhat unreliable water supply, low heights and good widths of streets.

Hudson, Wis., Inspected

Twenty members of the Wisconsin State Fire Prevention Association participated in the inspection of Hudson,

Wis. They inspected 93 buildings and found 76 defective, with a total of 252 criticisms.

F. R. Daniel, chief engineer Fire Insurance Rating Bureau, addressed the public and parochial schools. C. R. James, Aetna, secretary of the association, reported on the results of the inspection at a dinner meeting.

Rating Bureau to Move

MILWAUKEE, March 2.—The Fire Insurance Rating Bureau will move from the Insurance Exchange building to the Milwaukee Gas Company building 626 East Wisconsin avenue, probably by May 1.

Losses Cut 42.68 Percent

MILWAUKEE, March 2.—Reports compiled by the fire department for the national fire waste contest show a reduction of fire loss in Milwaukee of 42.68 percent in 1931 under the previous year's record. For the first time in a decade Milwaukee kept its fire losses under \$1,000,000. The 1931 figure was \$933,896, as against \$1,620,000 in 1930.

Will Sponsor Good Will Tour

Ben A. Lehnberg of the Chris Schroeder & Sons Company, president of the Milwaukee Board, is a member of the committee in charge of the annual four-day good will tour sponsored by the trade promotion division of the Milwaukee association of commerce. The tour this year will visit cities of the Fox River valley and Lake Michigan ports.

Plan Changes in Rules

ST. PAUL, March 2.—The quarterly meeting of the Insurance Exchange of St. Paul will be held March 9. Certain changes in the rules of the exchange will be voted on at the meeting.

Wisconsin Notes

Wisconsin Women of the Blue Goose held their monthly luncheon meeting and bridge party in Milwaukee last week.

A. C. Anderson has opened a new local agency in the Gay building at Madison, Wis. He has been for three years with one of the large agencies there.

Mrs. H. C. Stark has been elected to membership in the Milwaukee Board, succeeding to the membership of her deceased husband.

The German Mutual Farmers Fire of Mishicot, Wis., has amended its articles to extend its territory to Manitowish, Kewaunee and Brown counties.

Missouri Valley State News

Fire 11:58; Noon Policy Pays

Insurer Liable for Loss from Fire Starting Before Insurance Was to Take Effect

Although fire starts a few minutes before a policy was to take effect, the insurer is liable for the loss. This was the decision of the United States circuit court of appeals for the eighth circuit in Springfield F. & M. vs. National Fire. The Springfield had insured the manufacturing merchandise of the Grimes Canning Corporation at Rockwell City, Ia., while the National issued an additional policy on the stock Sept. 4, 1929, to become effective at noon, Sept. 7. A few minutes before noon on Sept. 7 a fire was discovered in the boiler room of the cannery.

An alarm whistle was blown at 11:58 a. m. and the fire department responded in about five minutes at which time the fire had not spread from the boiler room. It was about 30 minutes from the time the fire started until it reached the ware-

NATIONAL UNION FIRE INSURANCE COMPANY PITTSBURGH, PA.

FINANCIAL STATEMENT
December 31, 1931

ASSETS

REAL ESTATE—HOME OFFICE BUILDING	\$ 971,324.47
*BONDS AND STOCKS	12,868,062.19
MORTGAGE LOANS	1,276,876.00
COLLATERAL LOANS	250,000.00
CASH	516,986.76
PREMIUMS IN COURSE OF COLLECTION	923,152.65
ACCRUED INTEREST	170,313.49
OTHER LEDGER ASSETS	187,829.74
TOTAL ADMITTED ASSETS	\$17,164,545.30

*Valuations of National Convention of Insurance Commissioners.

LIABILITIES

RESERVE FOR LOSSES	\$ 1,635,474.65
RESERVE FOR UNEARNED PREMIUMS	8,679,335.10
RESERVE FOR TAXES	375,000.00
RESERVE FOR SECURITY VALUATIONS	1,747,557.00
RESERVE FOR OTHER LIABILITIES	366,552.42
CAPITAL	\$2,750,000.00
SURPLUS	1,610,626.13
SURPLUS TO POLICYHOLDERS	4,360,626.13
	\$17,164,545.30

PITTSBURGH, PA.

NEW YORK, N. Y.

SAN FRANCISCO, CAL.

house where the insured goods were stored.

The National appealed from the verdict of the trial court verdict in favor of the Springfield, which had paid the loss and had sued the National as assignee of the insured's rights. The contention of the National was that prior to the time when the policy was to take effect it had become certain that the property to be insured would be destroyed or damaged by the fire which had already started, and therefore its policy never took effect. Secondly, it contended that the hazard had been materially increased between the time the policy was issued and the time when it was to take effect, thus invalidating the policy.

"The facts are," according to the court, "that the policy did not in express terms or by any construction of the words used provide that a material increase in the risk between September 4 and September 7 would prevent the policy from attaching. There was nothing in the nature of the contracts or in the surrounding circumstances which required such a provision. There was no applicable statute which so provided. The policy by its express terms was to be effective from the definitely stated moment of time. The property insured was in existence and undamaged at the time the policy was to take effect."

McGee Gets Finance Post

KANSAS CITY, MO., March 2.—Joseph J. McGee of Thomas McGee & Sons has been named Kansas City chairman of the Citizens Reconstruction Organization. Mr. McGee is treasurer and a director of the chamber of commerce. The organization will market securities of the Reconstruction Finance Corporation, seeking to get idle money back into use.

Leaves Garrett Agency

Henry I. Riemann, who has been connected with the T. W. Garrett, Jr., general agency of Kansas City, has severed his connection with the office. He was formerly with the American Central as special agent for Kansas, Oklahoma and the mountain field and then state agent in Missouri. Later he was state agent in Oklahoma and then he was called to the home office as assistant secretary.

Banks Kansas Candidate

J. J. Banks of Atchison, Kan., is the third man to announce that he will be a candidate in the Republican primaries for insurance commissioner. The others are Commissioner Hobbs and J. B. Smith of Kansas City, Kan., former assistant commissioner, who was defeated by Mr. Hobbs four years ago. Mr. Banks was defeated by Hobbs two years ago.

Banks is advocating a statute similar to the Robertson law of Texas, which requires that reserves on Texas life policies be invested in Texas securities.

Buffalo Takes Iowa Business

The Iowa business of the Germanic Fire has been reinsured by the Buffalo. After the merger of the Germanic and the American Colony, the merged company decided not to continue its limited Iowa business.

Charges Inefficiency

OMAHA, NEB., March 2.—Frank Stanbery, head of the Nebraska Inspection Bureau, accuses the fire department of inefficiency and its officers of mishandling two fires recently in which losses aggregating \$200,000 were caused to owners and insurers. Mr. Stanbery says that in both cases an unnecessary amount of water was used. In one an adjoining building containing a large stock of wallpaper was flooded when it could have been avoided. On this point Fire Chief Cogan admits it was "most unfortunate." Mr. Stanbery said that a water tower at one fire and a pumper at

the other were so badly handled that they were wrecked for fire fighting purposes at that time, that the firemen abandoned their posts when they should have remained, and that if they had donned gas masks they could have done better work.

Nebraska Mutual Raises Assessment

An increase of 50 percent in its assessments for 1932 has been ordered by the Richardson County (Neb.) Mutual, one of a number of mutuals that have been compelled to this action by unusually heavy farm losses. E. L. Bowers was elected president to succeed William Rieschick.

Holmes With Reliance

Max L. Holmes, formerly secretary of Witmer-Kauffman-Evans Co., Des Moines local agency, has been appointed general agent there for the Reliance Life. Mr. Holmes was with Witmer-Kauffman-Evans for 10 years.

Nebraska Notes

Mrs. Olga G. Pierce, who has operated a general insurance agency at Lincoln, Neb., for a number of years, has incorporated the O. G. Pierce Company.

O. W. Rhoads, who was state fire mar-

shal of Nebraska for four years ending in 1924, died suddenly at his home in Scottsbluff, Neb., from heart failure.

Iowa Notes

H. P. Pratt, Grandy-Pratt Agency, Sioux City, Ia., is seeking a place on the school board of that city.

Mott S. Hammond of the Mott S. Ham-

mond agency, Des Moines, is recuperating at his home following an appendectomy.

O. B. Jaques, Ankeny, Ia., has sold his insurance business to Fred Duncan, who was previously in the banking business in Ankeny.

A. C. Daley, service engineer of the Ellis & McKinney Co. general agency, Des Moines, has been appointed Iowa manager of the United States Employment Service, Veterans Division, with headquarters in the Federal building, Des Moines.

STATES OF THE SOUTHWEST

Texas Board Gives New Rates

Fort Worth Gets 6 Percent Penalty—

Dallas Loses Its 3 Percent Credit

—Houston Unchanged

AUSTIN, TEX., March 2.—The Texas insurance board has completed calculations of fire loss ratios for the past three years for a large number of Texas towns and promulgated insurance rate credits and penalties based on that data.

Fort Worth drew a penalty of 6 per-

cent added to its schedule rates because of its three-year bad fire record, while Waco is assessed a 3 percent penalty for the same reason. Dallas lost its 3 percent credit and must apply the straight schedule rates.

San Antonio and Beaumont agents are slow in reporting and compilations are yet to be made for those places. El Paso won a key rate reduction from 15 to 10 cents.

Houston is given a credit of 12 percent, which is the same as last year; Galveston 6 percent compared to the maximum of 15 percent last year; Amarillo 15 percent as against 12 percent;

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE COMPANY

of Providence, R. I.

Capital \$3,000,000

Surplus to Policyholders, \$11,159,491

INCORPORATED 1928

ANCHOR INSURANCE COMPANY

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

Surplus to Policyholders \$1,563,657

Each of these Companies writes the following classes of Insurance

FIRE—TORNADO—OCEAN and INLAND MARINE

AND THEIR ALLIED LINES

AUTOMOBILE—FIRE, THEFT and COLLISION

COMBINED POLICIES

AUTOMOBILE—FULL COVERAGE GOLFERS' EQUIPMENT and LIABILITY

.WITH

MARYLAND CASUALTY COMPANY

INCORPORATED 1832

VIRGINIA FIRE AND MARINE INSURANCE COMPANY

Richmond, Va.

Capital \$500,000

Surplus to Policyholders \$1,671,770

FIRE
SPRINKLER LEAKAGE

TORNADO
AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Cashel, Manager

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SAFETY SIDELIGHTS

An Opportunity to do a Beneficial Service

Newspapers do not give home accidents the publicity given to other forms of accidents. Let a person be struck down by an automobile, and he will get his name in the paper. Let the same person fall down stairs in his home and break an arm and leg, and the public will be none the wiser. This is probably one of the reasons why there have been so few noteworthy attempts at organized campaigns for home safety. The need, while real, has not been made known.

Here, then, is an excellent work for women's auxiliaries, church organizations, parent-teacher associations, and the like. The work, besides being beneficial, should be fascinating, for the results are apparent to and directly affect the worker. We shall be glad to tell those interested where they may obtain information on organization and procedure. When writing please refer to this advertisement.

Great American
Indemnity Company
CASUALTY **New York** SURETY



Wichita Falls 6 percent compared to 3 percent; Port Arthur 6 percent, while it had 9 percent last year; Austin 15 percent both years.

George Suter Gives Address

Tells About the New Water Works Systems Installed in Arkansas Last Five Years

George D. Suter, chief engineer Arkansas Fire Prevention Bureau, in his address before the Arkansas Engineers Club in Little Rock took up the subject, "Waterworks Developments in the State During the Last Five Years." Of the 100 waterworks systems in Arkansas, 85 are recognized as giving fire protection. Fifteen were constructed in the last five years. In this period eight other cities spent \$750,000 revamping their water supply in line with the bureau recommendations. This brought about a reduction in insurance rates. Mr. Suter stated that there are 20 small towns that need to have their water supply systems brought up to a higher standard. There are 20 towns of over 1,000 population and 30 between 700 and 1,000 population that should be able to support a waterworks system.

Mr. Suter said: "This large number of unprotected fair sized cities is one of the reasons why Arkansas has such a large fire loss. The installation of water works in these small towns would not only effect a direct savings to property owners in the towns, but would in time improve the loss ratio of the state. The ratio of fire losses to insurance premiums collected has dropped from 71.1 percent for the five year period of 1921 to 1925 to 64.7 percent for the period of 1926 to 1930, but there is still much room for improvement, as the ratio for the past 10 years averaged 69.5 percent."

General Agencies Merge

SAN ANTONIO, March 2.—Two of the important general agencies of San Antonio, Webb, Branshaw & Co. and the General Agency, have merged. The new agency will be an equal partnership with B. L. Vanston, manager General Agency; Eugene Branshaw, secretary and organizer of the Western National Fire, and Theodore M. Webb, secretary Security National Fire and the Texas National Fire and vice-president Western National Fire, as members.

Storts' Territory Extended

The territory of Charles Storts, special agent J. D. Kitchen & Brother, Fort Worth, has been extended to include San Antonio and neighboring towns. Earl Holt, formerly special agent for that territory has been transferred to Abilene, Tex.

Establish Service Office

The Floyd West & Co. general agency of Dallas has established a service and claim office in the Gunter building, San Antonio. Special Agent Davenport is working out of there, and F. H. Bagby, Jr., is also to be located in that office as claim adjuster for the San Antonio section. The agency has added J. S. Dawe, of Harlingen, as special agent in the Rio Grande valley.

Protest Compensation Awards

OKLAHOMA CITY, March 2.—Effect of the administration of the workmen's compensation law in Oklahoma will be presented to Governor Murray in the near future by V. V. Sills, Ponca City, executive committee chairman of the Oklahoma Association of Insurers. It is expected to be shown that agents and companies are placed at a great disadvantage on account of alleged "unjust awards" made in compensation cases.

The association will join the Associated Industries of the state in the effort to lessen these awards.

The insurance board recently voted an increase in compensation rates, after the board had made a study of the experience over a period of years.

Conditions of the last few months again have brought up the subject of the state insurance, and something along that line may be attempted at the next session of the legislature.

Action Against Service Outfit

OKLAHOMA CITY, March 2.—Commissioner Jess G. Read has requested that the attorney-general take action against the Automobile Owners Service Company, which he claims is operating in violation of the state insurance laws. He alleges that the company issues a contract to furnish an adjuster to take care of all losses occasioned by a car whose owner holds a certificate in the company. This company is said to be an offspring of the United States Insurance Company, which discontinued business about the middle of January.

Women Given Quiz

OKLAHOMA CITY, March 2.—Following a year of intensive study of fire and tornado policies, the Oklahoma City Insurance Women's Association conducted a quiz, under the direction of Mrs. J. G. Hayden. Prize for the best answers was accorded Bess Butler, Workman Carlin Company. A souvenir was presented Vera Harper, who planned the program of study.

Texas Notes

F. M. Coleman of Coleman & Co., San Antonio, has been doubly bereaved by the recent deaths of his wife and his mother.

Harold Choate, special agent of the Springfield Fire & Marine, was married recently to Miss Helen Eddy of San Antonio.

Grover Thaxton, who has been with Richey & Casey, San Antonio, Tex., as manager of the casualty department, has gone to Dallas with Floyd West & Co., as manager of the casualty department.

Oklahoma Notes

The Scruggs & Davis agency, Oklahoma City, has purchased from C. W. Parsons the Oklahoma Insurance Agency, formerly the Ed. M. Semans agency.

V. W. Snider of the Snider Insurance Agency has been reelected treasurer of the Holdenville (Okla.) Retail Merchants Association.

The Roy Oneal Agency, Fairview, Okla., has been purchased by the O. L. Bane agency. Roy Oneal has been retained as soliciting agent.

The operating name of Gum Brothers & Co., Oklahoma City local agents, has been changed to Gum-Breeding. M. B. Breeding retains active management.

The Oklahoma State Fire Prevention Association inspected Kingfisher and Hennessey last week. Okmulgee will be inspected March 13-14.

The firm name of Rittenhouse & Rittenhouse, insurance attorneys of Oklahoma City, who represent fire companies in Oklahoma, has been changed to Rittenhouse, Webster & Rittenhouse.

General Adjustments & Collections has been organized in Oklahoma City with H. O. Brown, insurance man, president, and Charles West, attorney, vice-president and counsel. A. W. White is secretary-treasurer.

The Halliburton Agency has joined the Tulsa local board. The agency is being continued by Mrs. Mary Halliburton, widow of Orville Halliburton, who died a few months ago. Associated with her is Dan Holmes.

Arkansas Notes

The D. M. Greer agency, Bentonville, Ark., has purchased the Maxwell agency there. Both agencies have been in business for 50 years.

The fire and casualty business of the Harrison Agency, Little Rock, Ark., has been transferred to the Union Trust Co. of that city. The announcement by G. C. Harrison and Austin Smith said the transfer was on a participating basis. Mr. Harrison recently was appointed general agent at Seattle, Wash., for the Union Central Life.

IN THE SOUTHERN STATES

Nashville Record Gratifying

Loss in 1931 Was \$207,923 Less Than 1930 — Steady Decline in Last Four Years

NASHVILLE, March 2.—Nashville's fire loss for 1931 was \$701,604, \$207,923 less than in 1930. The per capita loss was \$4.55. In 1928 it was \$9.43.

Fire losses for the past four years are: 1928, \$1,357,236; 1929, \$1,237,653; 1930, \$909,528, and 1931, \$701,604. Since Nashville has grown tremendously in the last four years, with many new buildings in its down town area, and an ever increasing suburban area, building permits being about \$5,000,000 annually, such a reduction in fire loss is a tribute to the fire department and its fire commissioner, L. L. Luton. Commissioner Luton believes that the decreasing losses should result in a lowering of fire insurance rates soon.

Report on Kentucky Cities

National Fire Protection Association Outlines Main Features in Some of the Important Points

The National Fire Protection Association engineers report a serious arson situation in Ashland, Ky. Numerous dwelling house losses of a suspicious nature have been occurring. The fire chief estimates that 85 percent of the losses last year were of incendiary origin.

At Lexington, Ky., the fire prevention committee has secured a substantial reduction in charges for private fire protection service from the water company. The efficiency of the fire department and fire prevention work has been increased by the present fire chief. The engineers have recommended the adoption of an ordinance prohibiting wooden shingle roofs. Over 20 percent of the fires in 1931 were from this cause.

At Louisville the engineers report lack of and obvious need for an organized year-round fire prevention campaign sponsored by responsible civic organizations. There is an apathy toward fire prevention work in Louisville according to the N. F. P. A.

At Owensboro, the engineers say that excellent fire prevention work has been done with gratifying results. The fire loss last year was 43 cents per capita. The fire department is doing excellent inspection work.

Louisiana Meeting at Monroe

The annual convention of the Louisiana Insurance Society will be held at Monroe, La., April 7-8. W. D. H. Rodriguez of Monroe, president of the society, announces. Executive and legislative committees will meet there April 6.

Meetings will be held at the Virginia Hotel. Present officers in addition to Mr. Rodriguez are: Capt. E. L. Kidd, Ruston, vice-president; Warren Berwick, Jr., Baton Rouge, secretary-treasurer; John D. Saint, Baton Rouge, manager. The Louisiana agents have one of the strongest state associations in the United States. It has enrolled every principal agent in the state and supervises a volume of more than \$25,000,000 in premiums annually.

South Carolina License Law

COLUMBIA, S. C., March 2.—According to Commissioner King, 88 cases will be reinstituted in the courts against insurance companies failing to comply with the South Carolina agents license law. In the case of the Firemens, a test case, the judge directed a non-suit,

but the state supreme court later reversed this decision. The state is seeking to impose a penalty of \$500 on companies that are violating this law. The Firemens case is expected to be brought up for re-trial shortly along with the 87 other cases, bringing the total amount of penalties at stake to \$44,000.

Broaden Windstorm Rules

RICHMOND, March 2.—Proposed amendments to the tornado and windstorm manual providing rates, rules and regulations for inland and seacoast counties, filed by the Virginia Inspection Rating Bureau, have been approved by the state corporation commission. The proposed changes do not involve any increase in rates but merely a broadening of the rules with reference to extraordinary alterations and repairs.

Recommend Change in Richmond

RICHMOND, March 2.—The city finance committee of Richmond has recommended to council the passage of an ordinance placing in the hands of the advisory board the responsibility of placing all fire insurance upon city owned property except school property whose insurance would be handled by the school board. Heretofore the city controller has had charge of placing insurance on city property. The city for some time has been considering a proposal to carry its own insurance but no definite action has been taken in regard to the matter so far. A committee of the local board recently appeared before the council in an effort to convince the city authorities that it would be to the interest of the locality to continue placing the insurance through Richmond agents and to abandon the proposed self-insurance plan.

Kill Bill Aimed at Miller

FRANKFORT, KY., March 2.—A house committee reported adversely on a bill to require the president of the Louisville Water Co. (at this time E. J. Miller, head of a large local agency) to devote all of his time to the business of the water company, and not permitting said president to have any other interests, either directly or indirectly. This act if passed would have forced Mr. Miller to resign the presidency, a part-time post, to which no president in years has given his full time, as neither the salary nor the duties warrant it.

Virginia Agents Active

RICHMOND, VA., March 2.—The Virginia Association of Insurance Agents' legislative committee has been active the past month, backing an agency qualification bill which it is expected will be passed.

Kentucky Notes

L. E. Ringo, Bowling Green, Ky., has purchased an interest in the agency there formerly operated by A. R. Estes, which will now be known as Estes & Ringo.

The W. A. Perry Insurance Agency, Louisville, has been incorporated by W. A. Perry, Mary Joe Perry and George A. Perry.

Clayton Hord, J. J. Jeter and R. T. Garnett, Campbellsville, Ky., have bought the interest of Edward Hill in the Hill & Garnett agency.

The Thomas Dickinson & Son agency, Glasgow, Ky., has been changed to Dickinson-Powell Company. Affiliated with Alexander Dickinson in the business are Hardin Powell and R. P. Miller.

Fire starting in the oil storage plant of Walker Brothers, Harrodsburg, Ky., caused loss estimated at \$140,000. Seven 10,000 gallon tanks and other equipment in the Walker plant burned and the Farmers Tobacco Warehouse Company, with 125,000 pounds of tobacco, was reported a total loss. Considerable damage was also sustained by other plants in the vicinity.

ON THE PACIFIC COAST

Premiums Are Slightly "Off"

Some Offices Show Gains for First Two Months But Decrease Reported by Majority

SAN FRANCISCO, March 2.—Although several offices in San Francisco report modest increases in fire insurance premiums for the first two months of 1932, the general impression, unsupported by actual figures, is that the average for the "street" is off. One large group reports a 10 to 15 percent drop, while another reports January a "trifle off" with February more nearly even. Another reports January up, with February showing a decrease, while one large general agency reports January, 1932, as one of its biggest months. A general survey of offices indicates that while several showed gains in either January or February or both, others where a drop was shown would more than offset the gains made, thus bringing the general average to less than for the same two months of 1931.

Losses, however, seem to be following the downward trend of the business and according to most offices are lower than at the beginning of 1931. This is undoubtedly due in some measure at least to the fact that the entire Pacific

Coast has just experienced the wettest season in many years.

On the whole conditions seem to be better and the feeling prevails that each month will continue to show some improvement, which will be gradually accelerated with stimulated general business conditions.

A number of casualty offices in San Francisco report increased volume, one office in particular showing a 20 percent gain for January with the possibility of February showing a like increase. On the other hand, there are a number of offices running about even with 1931 or a little less, with the general result that casualty premiums for the two months' period should show "about even." Losses, it appears, will also run about the same.

Buyers' Association Friendly

New Group Will Not Attack Business or Enter Political Battles—Cornick Speaks

SAN FRANCISCO, March 2.—Sweeping aside any misapprehension the insurance fraternity might have had over the formation of the Insurance Buyers Educational Association, A. G. Westcott, chairman, announced at its

One essential factor in business is loyalty. Loyalty to our agents has made them loyal



Will Wright
Field Correspondent

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first general meeting that it would not condone any kind of attacks upon the insurance business, encourage lobbying for insurance legislation; join in any controversies over rates, support dummy brokers or otherwise take part in any movement which would tend to cause the companies any trouble.

On the contrary, the primary purpose of the organization is to aid its members to understand the types and kinds of coverage they are receiving and the types of policies or contracts needed to assure them adequate and complete insurance.

Large Attendance

A large number of insurance men attended the first meeting last week, having accepted the invitation tendered by the officers. It was announced during the meeting that company men would be welcomed to listen to future discussions and it was evident that they received as much enlightenment as did the buyers present; the companies being given a clear insight of the buyers' viewpoint and also the opportunity to explain the why and the wherefore of some of the clauses which are now contained in fire and liability policies.

In his paper Mr. Westcott discussed principally the conditions, subrogation clause and restrictions of the California standard form of fire insurance policy. He criticized the fallen building clause,

not in its entirety but because it was a part of the policy. "These policies are understandable, if studied, but are complicated," he said.

H. C. Cornick, superintendent of the Royal's general cover department, who is visiting in San Francisco, attended the meeting and spoke briefly of the progressive work being accomplished by the insurance section of the American Management Association.

Martin Gives First Lecture

SAN FRANCISCO, March 2.—J. Henry Martin, assistant general agent of the Home and president of the Fire Underwriters Association of the Pacific, was the first speaker in the spring series of lectures before the associate members of the association, on "Underwriting During Periods of Depression."

O'Brien Visits Coast

H. M. O'Brien of Chicago, manager of the Chicago Fire & Marine department of the Lincoln Fire, who has been on a trip to the Pacific Coast, is back at his desk.

Name Liaison Committee

PORTLAND, ORE., March 2.—New committees have been appointed for the Oregon section of the Special Agents

Association of the Pacific Northwest. The liaison committee which will work in cooperation with the Oregon Insurance Agents Union and the Insurance Exchange of Portland is composed of L. M. Brainerd, Aetna; D. R. Atkinson, Phil Grossmayer Company, and H. W. Randall, Pacific National.

Bulkley on Coast

SAN FRANCISCO, March 2.—George G. Bulkley, president of the Springfield Fire & Marine, arrived in San Francisco Monday for a conference with John C. Dornin, Pacific Coast manager; Grant Bulkley, resident secretary, and H. K. Nourse, agency supervisor. A meeting of field men from the California, Pacific northwest and inter-mountain territory is being held here today.

New Public Business Plan

SAN FRANCISCO, March 2.—Plans for bringing about a satisfactory method of handling the insurance of the city and county of San Francisco and bonds on officials and employees are being made by the public developments insurance committee of the San Francisco Insurance Brokers Exchange. Under the plan, all city and county business would be handled through the exchange and serviced by members, commissions being prorated to every member of the exchange.

The plan is similar to that now in effect in Oakland, known as the "Oakland plan," by which the business is handled and serviced by the Oakland Association of Insurance Agents and the commissions prorated to the members of the association.

Fresno Agents Annual Meeting

The Fresno, Calif., Association of Insurance Agents will hold its annual banquet and meeting March 29, with delegates from all parts of the state. P. S. W. Ramsden, president California association, will be the principal speaker.

To Represent California Body

Eugene Battles of Los Angeles and Percy H. Goodwin of San Diego will leave March 18 for Cleveland to attend the mid-winter conference of the National Association of Insurance Agents representing the California association.

Direct Writing Condemned

LOS ANGELES, March 2.—The Fire Insurance Exchange of Los Angeles has adopted a resolution "strongly condemning the practice of certain companies which are employing solicitors, working out of the company branch offices, to solicit business direct," and "that we recommend to our membership that no business be placed with companies using such methods in the acquisition of business." While it is understood that the action complained of has been confined to such small lines as fraud bonds, it is declared that it is detrimental to the local agent and can only be regarded as an extension of the branch office system.

Blue Goose Golf Results

R. E. Alderman of the Pacific Board won first low net prize in the February golf tournament of the California Blue Goose. F. R. Robinson, Northern Assurance, and F. V. Bangs, America Fore, had second and third low net, the former winning also the blind bogey trophy.

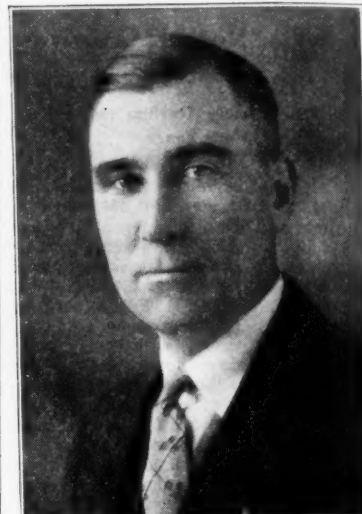
Muller Blue Goose Speaker

E. P. Muller, manager of S. M. Haley & Co., addressed the San Francisco Blue Goose at its luncheon meeting Monday on "The Business Outlook."

Trumbull in Charge

C. P. Trumbull has been placed in charge of the R. L. Heinsch agency at

Busy Years Ahead



DAVID A. MCKINLEY

David A. McKinley, special agent for the Royal, with headquarters at Seattle, is destined to have especially busy years ahead beginning in 1933 when, according to precedent, he will become president of the Fire Underwriters Association of the Pacific. He is now vice-president, John H. Martin, assistant general agent of the Home of New York, now being president.

Mr. McKinley is also grand custodian of the Blue Goose. Next year, according to precedent, he will become grand supervisor and in 1934 the most loyal grand gander.

He has filled all of the offices of the Washington pond and in 1927-28 served as deputy most loyal grand gander for Montana, Idaho, Utah and eastern Washington. He has been a special agent in Washington for more than 12 years.

Los Angeles. He was formerly assistant manager of the Swett & Crawford agency there. His early training was with the Aetna Life at the home office and for some time he was with its Los Angeles office.

Ray E. Halderman, chief examiner for the Oregon Insurance Rating Bureau, was the main speaker at the regular monthly meeting of Portland Blue Goose.

Mountain Field Activities

"Good Fellows" at Luncheon

Movement for Informal Social Gathering of Fire Insurance Fraternity Successful

DENVER, March 2.—An informal movement to assemble the "good fellows" among the Rocky Mountain fire insurance fraternity in a weekly luncheon, exclusively for the promotion of congeniality, has been successful. The attendance at last week's luncheon was 27. There are no officers. No organization is contemplated, and the move has no business or official significance. A chairman will be chosen each month to provide speakers and entertainment. The present chairman is H. M. Mack, assistant manager Mountain States Inspection Bureau.

Pueblo Branch Established

DENVER, March 2.—A branch office of the Rocky Mountain department of the Fire Companies Adjustment Bu-

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To keep customers sold demands fair and prompt treatment in the event of a loss—the kind of service from the Insurance Company that an agent must be able to offer to please his customers.

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Kansas City Fire and Marine Insurance Company

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reau has been established at Pueblo, Colo., as the result of the absorption of the Colorado Adjusting Co. of Pueblo, formerly conducted by Walter R. Zener and J. C. O'Donnell, who have become representatives of the bureau there.

In addition to the main office at Denver the Rocky Mountain department offices now include those at Pueblo and Albuquerque and Roswell, N. M. Additional offices for serving northern Wyoming and southern New Mexico are contemplated.

State Insurance Proposed

Proposal has been made by New Mexico officials that the state carry its own fire insurance as an economy measure. Those sponsoring the proposal are B. C. Beall, chief tax commissioner, and R. H. Grishom, educational budget auditor.

Albuquerque Agency Sold

Ross Merritt, who has been operating the Metcalf agency, and Raymond Stamm, for twelve years agency superintendent of the Occidental Life, have

purchased the Western Agency Company, Albuquerque, N. M., well known general agency operated for a number of years by F. W. Graham, who died last December.

The general agency has been discontinued and is being liquidated. Mr. Merritt and Mr. Stamm will continue the local agency department.

Mountain Notes

P. W. Allen of the Weld County Abstract Co., Greeley, Colo., operating an important local agency, is dead.

The A. L. Martin Agency Co., Albuquerque, N. M., has purchased the insurance department of the D. T. Kingsbury Co.

Business of the Donald Spiker Agency, Riverton, Wyo., has been placed with Megown & Stewart, according to A. J. Lehwaldt and L. C. Stire, members of the Mountain Field Club, which supervised the transfer.

As a result of a large fire at Boulder, Colo., which partly destroyed the courthouse, the Mountain States Inspection Bureau is preparing a bulletin indicating the city's fire department is inadequately manned and insufficient ladder equipment. The building and contents were insured for \$72,000.

EASTERN STATES ACTIVITIES

Interest in Klein's Comment

New Jersey Local Men Encouraged Over Waning of the Non-Policy-Writing Agents

NEWARK, N. J., March 2.—Comment by Julius Klein of Rosenthal & Klein of this city at the meeting of the New Jersey Underwriters Association as to non-policy-writing agents is regarded as encouraging because in this state this form of producer has been a thorn in the flesh of the legitimate agents. He stated that during the last two years the non-policy-writers have been disappearing but not rapidly enough to satisfy the standard agents. Five years ago it was estimated there were 3,000 agents of this type in New Jersey, principally in Essex, Hudson and Camden counties. A number of men in other activities who were selling insurance did not write their own policies. There are a number still in Newark and Jersey City. Mr. Klein feels that ultimately there will be a shrinkage in this class.

Report Is Made on Two Cities as to Fire Prevention Work

The National Fire Protection Association engineers say that at Concord, N. H., the fire prevention committee of the chamber of commerce has been active in promoting improvements in the fire department. The desired changes include a relocation of stations to give increased man-power, a revised running schedule for apparatus and provision for drill work. The committee has been successful in obtaining salvage equipment for the fire department and a system of periodic building inspection by the firemen.

At Manchester, the fire department was found well equipped and trained. A new building code containing excellent fire prevention features has been adopted. Wooden shingle roofs are now prohibited throughout the entire city. A campaign is now being conducted to rid the city of conflagration breeders. Buildings with automatic sprinklers are numerous in Manchester. The buildings of all public schools are sprinklered.

The "Lartree Club," composed of employees of the Central Fire Insurance Company of Baltimore held a "cabaret dance" there. Members of various insurance fraternities were invited to attend.

Comments on Three Cities

National Fire Protection Tells About New Brunswick, Paterson, and Perth Amboy Conditions

The National Fire Protection Association finds that structural conditions in New Brunswick, N. J., are very weak and the fire defenses are inadequate. There is a need of a new building code, a fire department drill school, a fire prevention bureau, salvage equipment and more men in the fire department.

At Paterson, there is need of a fire prevention bureau in the fire department. The inability of owners of sprinklered buildings to pay the excessive annual water service charges imposed on sprinkler systems has this year forced many of them to shut off their systems.

Perth Amboy needs a full-paid fire department with a drill school, better organized fire hazard inspections and provisions for salvage work. The fire limits provided by the new building code are not sufficiently extensive. The water system is inadequate in its distribution features.

Studies Church Insurance Needs

A committee from the Rochester, N. Y., Underwriters Board led by President T. A. Sharp held a conference with Bishop O'Hern of the Catholic diocese of Rochester on the subject of having adequate insurance for all church properties. A survey will be made as to the insurance needs of the properties owned by the church.

Qualification Law's Prospects Poor

ALBANY, March 2.—The O'Brien-McKay agents' qualification bill has been submitted to the senate finance committee and it is doubtful whether it will be reported by that group at this session. It carries an appropriation of \$25,000 so it must be approved by the finance committee before the insurance committee can report it. Last year the same bill was passed without an appropriation, but the insurance department had it vetoed because there were no funds in the budget to enforce the measure. There is strong opposition to the measure this year because it is said this is no time to impose restrictions on the ability of men and women to earn a living and that it should be held over until better economic conditions prevail. Another criticism of the bill is that it gives the insurance department full au-

STANDARD INSURANCE COMPANY OF NEW YORK

Head Office: 80 John Street, New York

J. A. KELSEY, President

G. Z. DAY, Vice-President

Statement December 31, 1931

CAPITAL	\$1,000,000.00
PREMIUM RESERVE	1,215,603.15
OTHER LIABILITIES	214,520.00
*NET SURPLUS	1,171,149.76
*TOTAL ASSETS	3,601,272.91

*Based on Market Valuations December 31, 1931.

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch

Manager Brokerage and Cook County Depts.

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thority to examine agents and does not specify the type of questions that must be answered.

Binghamton Report Issued

The National Board reports the gross fire loss in Binghamton, N. Y., for the past five years at \$1,989,586, with an average loss per fire \$1,396, "a very high amount," and the average loss per capita \$5.36, "a high figure."

The water supply is declared to be adequate and mainly reliable. Sufficient quantities for engine supply are available in most localities. The fire department is generally well equipped and efficient and the fire alarm system is generally reliable and fairly adequate.

In the congested value district, many large or excessive fire areas and lack of protection to windows, floor and communicating openings make severe individual and group fires probable. The probability of such fires spreading and involving a large portion of the district is unlikely, because of the many sprinklered or fire-proof buildings, good fire fighting facilities, good accessibility and low to moderate heights.

Camden Records Incomplete

The water supply of Camden, N. J., is reported by the National Board to be mainly reliable but without sufficient reserve capacity. Several important manufacturing districts are poorly protected. The fire department is fairly well equipped but untrained. Powerful outside aid is quickly available.

In the principal mercantile district, owing to fire resistively weak construction, lacking in fire preventive and protective features, serious individual and group fires are probable in most blocks. Ordinarily the danger of sweeping fires is not great.

The National Board says that the records of the fire department as to fire losses are very incomplete and unreliable.

Fraudulent Proof of Loss

Judgment of conviction of the crime of presenting a fraudulent proof of loss is permitted as prima facie evidence of the facts involved, according to the New York court of appeals in Schindler vs. Royal. The judgment, however, is not sufficient as a plea in bar by the insurer in defending a civil action to recover for a fire loss.

Donaldson Presiding Officer

The Penn Blue Goose at Philadelphia met Monday evening with T. B. Donaldson, formerly Pennsylvania insurance commissioner, as master of ceremonies. The principal speaker was T. F. Cunnene, manager of the insurance department U. S. Chamber of Commerce. A. G. Costello, deputy insurance commissioner of Pennsylvania, was a guest.

C. W. Hauke Ends Life

C. Walter Hauke of Wilmington, Del., committed suicide by shooting himself. His partner, Chester Moore, in the Moore & Hauke agency, committed suicide last November by exposing himself to carbon monoxide gas. Mr. Hauke was 55 years of age.

Eastern Notes

H. L. Williams has been appointed manager of the insurance department of Rowland & Baker, Erie, Pa.

The A. C. Bertholon Agency, Newark, has been incorporated by A. C. Bertholon, C. H. Bertholon and M. D. Auer.

The Louis Levine agency, Linden, N. J., has been incorporated by Louis, H. A. and D. Levine.

Leon A. Watson, rating expert of the Schedule Rating Office of New Jersey, addressed the New Jersey State Fire Chiefs Association meeting in Bloomfield, on the working of his office.

James G. Ball, examiner for the New York suburban field for the American of Newark, with headquarters in Newark,

has been elected president of the Newark Insurance & Banking Athletic League.

The partnership between E. H. Dixon and B. E. Fitchard as Fitchard & Dixon, Oneida, N. Y., has been dissolved and the business will be carried on by Mr. Fitchard.

W. N. Edwards, state agent for the St. Paul Fire & Marine, has moved his headquarters from Philadelphia to the Essex building in Newark. This move has been made necessary to take care of the increasing business in New Jersey.

New England News

Not Liable for Earned Sum

Status of the Broker Is Defined by the Counsel of the Massachusetts Department

H. J. Taylor, counsel of the Massachusetts insurance department, in an opinion holds that an insurance broker "is not liable to an insurance company or its agents for an earned premium on a policy negotiated by him which he has not received from the insured unless he has assumed the liability therefor by an agreement expressed or implied with the company or its agents." Mr. Taylor gives citations, holding that a broker is the agent of the person for whom he negotiates the policy, except that for the purpose of receiving premiums thereon he is the agent of the insurer. His opinion states that if "premiums and policies procured by the broker are charged to him by the agent without objection, or he pays such premiums to the agent whether or not he has received them from the insured, those facts might well be held to show an agreement by the broker to treat the premium as his own debt."

Turns Down Rate Probe

The Massachusetts house has rejected a resolution providing for a special commission to investigate the classification of risks and rates charged by fire companies.

New England Notes

L. C. Ramsay has withdrawn from the firm of Whitmore & Ramsay, Hartford.

Louis Nordstrom, New Haven, Conn., has sold his agency to Coan & Bunnell.

James W. O'Brien, 65, head of the agency of J. W. O'Brien & Son, Northampton, Mass., died there following a short illness.

Incorporation papers have been filed for the Earle H. Texido agency, New Haven, Conn. Incorporators are E. R. and Freda Texido and A. J. Schneider.

Motor Insurance Events

National Auto Club Elects

William Deans Again Heads Stock Company Organization on Pacific Coast—Report Good Year

SAN FRANCISCO, March 2.—All officers and directors of the National Automobile Club were unanimously re-elected at the annual meeting, including William Deans of Selbach & Deans, president; A. T. Bailey, North British & Mercantile, vice-president; C. A. Craft, Phoenix Assurance, treasurer; Arnold Hodgkinson, secretary and general manager, and Herbert E. Manners, assistant secretary. P. S. W. Ramsden, representing the California Association of Insurance Agents; B. L. Davis, representing the San Francisco Insurance Brokers Exchange; Eugene Battles, representing the Los Angeles Fire Insurance Exchange, and C. B. Cornell, manager of the Fidelity & Casualty, repre-

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TWIN CITY

Fire Insurance Company

Minneapolis

Minnesota

sending the Casualty Underwriters Association, were reelected associate vice-presidents. Directors are H. F. Mills, chairman; A. L. Merritt, vice-chairman; William Deans, Joy Lichtenstein, A. T. Bailey, A. M. Brown, C. A. Craft, Harry Benner, F. E. Stone, F. M. Avery and E. T. Cairns.

The report for 1931, the eighth year of the club's existence, showed a particularly healthy conditions, with a membership renewal of 70 percent. The club has been self-supporting in every way since its third year and now maintains a reserve consisting of unearned



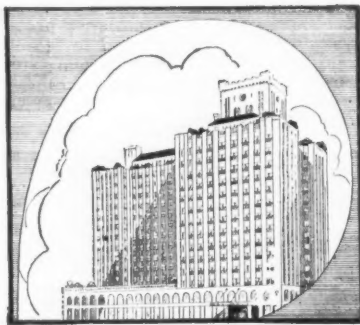
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membership dues, which is available for use whenever needed.

The club has served very effectively in securing and holding business for local agents for stock companies, as indicated by the consistently high renewal ratio year after year.

Enforcement of Award Is Enjoined by Federal Judge

Federal Judge Fitz Henry at Springfield, Ill., has accepted the report of Special Master W. G. Burroughs, setting aside an award of \$5,256 against the Agricultural in behalf of Reiley Bros. of Alton, Ill., under an automobile dealer's policy, because of fraud. The Agricultural was represented by Samuel Levin of Chicago. The case was notable, inasmuch as the Agricultural, instead of waiting to be sued, took the offensive and caused enforcement of the award to be enjoined.

Reiley Bros. suffered the loss of several used cars in a fire. A proof of loss for \$5,258 was submitted.

A non-waiver agreement was entered into. The Agricultural selected C. M. Strawn of Alexandria, Ill., as appraiser and Reiley Bros. selected J. J. Rubenstein of Alton.

Strawn and Rubenstein could not agree on an umpire. Master Burroughs reported that Rubenstein "wilfully, deliberately, unlawfully and designedly delayed the selection of an umpire for 15 days." By taking advantage of the 15 day clause, Reiley Bros. secured the appointment of Robert Davis of Alton as umpire by the city court of Alton. Strawn resigned as appraiser on the ground that Davis was not a disinterested umpire. Rubenstein and Davis reported an award of \$5,256 which the master declared was not a fair, disinterested and impartial appraisal.

Automobile Premiums Decrease

Companies find that their automobile premiums have decreased materially. This is due undoubtedly to the economic situation as many people are taking their chances and are not insuring their cars. A number have sold their cars or laid them up because of the maintenance cost. Some policyholders have terminated part of the automobile coverage and are simply carrying policies indemnifying them for that loss which in their mind is most likely to occur.

Barr Building Agency Force

C. H. Barr of Springfield, Ill., who is manager of the Illinois National Casualty of Chicago for a large part of the state, is building up a splendid agency force. All the agents in his department report to his office and the underwriting is done there. The Illinois National Casualty writes a full coverage automobile policy. Vice-president Barr is regarded as an authority on automobile insurance and is a good production man.

American Motorists Statement

The American Motorists, a member of the James S. Kemper group of companies in Chicago, shows assets \$3,782,139, gain \$368,125, policyholders' surplus \$971,911, decrease \$38,276. Its earnings amounted to \$562,883 as compared with \$564,870 in 1930. Dividends paid amounted to \$551,159 as compared with \$231,551.

Can Now Give Towing Service

For an additional premium of \$2 company members of the National Automobile Underwriters Association throughout the central west now attach an endorsement to the standard policy providing for free towing service, up to \$10 for any one claim. While not yet issued in the east the presumption is that it soon will be.

Question as to Basis of Theft Loss Settlement

Question: Are automobile theft losses settled on the basis of the actual cash value of the car at the time of the loss or at the end of the sixty-day period, which elapses before a settlement is made?

Answer: There is, to our knowledge, no legal decision covering that point. The standard policy provision, which would govern that issue, is somewhat ambiguous.

As a matter of practice, adjusters settle on the basis of actual cash value at the end of the sixty day period, but compromises are occasionally made. The question only arises when new models are brought out at lower prices. Then, the value of used cars descends correspondingly.

Payment of the loss on the basis of the cash value of the car at the end of the 60-day period is justified on the ground that the insurer undertakes to replace the stolen car with an automobile in the same condition. Therefore, if, instead of indemnity being in the form of cash, it were in the form of a used automobile presumably, the insured would get the same car at the end of 60 days and would be reimbursed with full justice despite the fact that the value of the stolen car had declined since the day it was stolen. However, this is admittedly a controversial point and the personal element enters very largely into the adjustment.

MARINE NEWS

Opposes 13 Month Calendar

Rear-Admiral Upham Sees Great Danger to Shipping in Upsetting Navigation Methods

Serious possibilities for marine carriers are seen by Rear Admiral F. B. Upham, chief bureau of navigation, U. S. navy department, in the calendar reform movement based on a 13-month year. Admiral Upham points out that all astronomical data and calculations would have to be corrected, and there might be great danger to ships in upsetting a navigation method used for centuries. The 13 factor would be unwieldy in computations, he said in an article in the "Journal of Calendar Reform." The 360-degree cycle divided by 12 gives 30 degrees, or two hours of time, but divided by 13 gives 27 9/13 degrees monthly change, an awkward factor.

"Navigators and mariners are not safely located in well-constructed observatories; they are at sea," he writes. "Calculations for the determination of their positions at sea constitute their most important duty while at sea. Upon their accuracy depends the safety of the ship, the preservation of valuable cargoes and the actual lives of all hands on board."

"When you introduce complications into these calculations you enormously increase the hazards and risks of the sea. You unnecessarily jeopardize the safety of every mariner." He said the 12-month calendar must be preserved.

Central States Field Meeting

The annual field men's meeting of the Central States Fire was held at the home office in Wichita Feb. 26-27. Field men from 12 states were in attendance. Sales features of various contracts were discussed. Urban M. Lelli of Chicago, marine representative of the Phoenix group, was one of the speakers.

Pasco, Wash., has entered the inter-chamber fire waste contest conducted by the National Fire Waste Council.

Mortensen Plan Is Turned Down

(CONTINUED FROM PAGE 3)

passing through its hands and that each individual company should be charged with the duty of tabulating the experience of such classes and furnishing it annually to the department.

Opponents contended that no change of existing practice was justified unless it would produce more complete and more useful information. They said that rates from the beginning of fire insurance had been based primarily on occupancy, of which combustibility is one of many factors. It was pointed out that occupancy classification must be maintained by fire companies for underwriting purposes and that they would find no practical advantage in a combustibility classification.

It was further pointed out that there were practical difficulties in classifying by combustibility not met with in classifying by occupancy. Hence, the record would not be so accurate. Opponents further declared that moral hazard and exposure losses prevalent in certain types of risks would penalize the record of an entire combustibility class, including risks relatively free therefrom. The point was made that a considerable expense would be entailed by any deviation from the standard classification approved by the National Convention of Insurance Commissioners, particularly one so different in principle.

Opponents added that the fairness of the level of rates of various classes could be determined better by the standard occupancy classification since this is basic and segregates such classes into broad related groupings.

MORTENSEN'S ATTITUDE

MADISON, WIS., March 2.—Whether the Wisconsin department will adopt the 12 classification schedule or whether it will continue to use the

standard plan has not yet been decided.

The preparation of a new schedule was the first step taken by Commissioner Mortensen to comply with the 1931 law passed upon recommendation of a legislative interim committee, which extends the powers of the commissioner to the fixing of rates as well as the rejection of schedules submitted by companies.

Wisconsin now has the power to compel the companies to supply complete information as to experience in the state and with that information, the department points out, the state will be in a position to conduct an independent study of rates and act more advisedly on the fairness of any rates submitted.

Hardships on Companies

The Wisconsin department recognizes that to adopt a separate classification will mean more work for the companies. Mr. Mortensen submitted his plan as a suggestion at the December meeting of the National Convention of Insurance Commissioners and as a result the meeting of the subcommittee at Chicago was held. He did not immediately put into effect the new classification schedule, apparently desiring to prevent Wisconsin from being so far out of step if possible.

Mr. Mortensen, however, firmly champions the Wisconsin plan. He contends that the limitation of classifications to 12 is a great reform. Under the 26 classifications, he contends, it has been almost impossible to produce evidence with which to challenge rates charged by the companies.

For 15 years the department has had power to reject rate filings but the power has been exercised only once on an entire schedule, when former Commissioner Whitman rejected the tornado rate schedule. On appeal, the Wisconsin supreme court sustained the rejection. The 1931 law gives the commissioner power to fix rates as well as to reject schedules.

Comprehensive Auto Rates, Rules Out

(CONTINUED FROM PAGE 3)

CHEVROLET

Schedule	Full Cov.	\$25 Ded.	\$50 Ded.	\$100 Ded.
1—New....	\$157.50	\$64.00	\$37.50	\$22.00
Old.....	110.50	45.00	26.50	15.50
2—New....	146.50	55.00	30.00	16.00
Old.....	102.50	38.50	21.00	11.00
3—New....	110.00	41.50	25.50	17.00
Old.....	77.00	29.00	18.00	12.00
4—New....	106.00	37.50	22.50	14.50
Old.....	74.00	26.50	16.00	10.00
5—New....	100.50	33.00	18.50	11.50
Old.....	70.50	23.00	13.00	8.00
6—New....	88.00	36.00	22.50	16.00
Old.....	61.50	25.00	16.00	11.00
7—New....	82.00	30.50	18.00	13.00
Old.....	57.50	21.50	12.50	9.00
8—New....	66.00	22.50	15.00	10.50
Old.....	46.00	16.00	10.50	7.50

BUICK (\$)

Schedule	Full Cov.	\$25 Ded.	\$50 Ded.	\$100 Ded.
1—New....	\$291.50	\$174.00	\$117.00	\$64.00
Old.....	204.00	122.00	82.00	45.00
2—New....	269.50	154.50	99.00	49.50
Old.....	188.50	108.00	69.50	34.50
3—New....	202.50	107.50	74.50	46.00
Old.....	142.00	75.50	52.00	32.00
4—New....	193.00	99.00	67.00	40.00
Old.....	135.00	69.50	47.00	28.00
5—New....	183.00	90.00	59.00	33.50
Old.....	128.00	68.00	41.50	23.50
6—New....	158.50	88.50	60.50	43.00
Old.....	111.00	62.00	42.50	30.00
7—New....	148.50	79.00	52.50	36.00
Old.....	104.00	55.50	37.00	25.00
8—New....	119.50	57.50	39.00	29.00
Old.....	83.50	40.50	27.50	20.50

Probe Reasons for Heavy Run of Residential Losses

(CONTINUED FROM PAGE 4)

ventories have been so low that there has apparently been no motive for arson in the general mercantile classification. The companies have learned to beware, however, of the business in which most of the capital is tied up in fixtures, such as restaurants, bowling alleys and billiard parlors. Many inconspicuous losses have been noticed of this type and extreme care is now taken in writing this grade of risk.

Last of the Cincinnati Company Chiefs Is Dead

(CONTINUED FROM PAGE 4)

the fire insurance center which it had been in earlier days but largely due to his independent outlook and character. During his career, he saw about 60 Cincinnati companies come and go and it is a tribute to his own ability that the single stock fire company remaining in Cincinnati was under his control and direction while so many were passing from the picture. While Mr. Rothier was not in a fire insurance company center, he had many friends among insurance company executives. He was a close friend of Neal Bassett of the Firemen's group.

Mr. Rothier was 79 years old. He remained in good health until about ten days before his death, which was due to uremic poisoning. His brother, C. C. Rothier, heads the C. C. Rothier & Co. agency in Cincinnati, of which a son-in-law, John Ditmars, is also a member.

May Withdraw Listing

At the annual meeting of the Russia the proposition to give discretionary power to directors to remove stock of the company from listing on the New York Stock Exchange was approved.

New W. U. A. Members

G. D. Gregory, vice-president of the American National of Columbus, which is a member of the Great American group, has been elected to membership in the Western Underwriters Association.

A. J. Holstein has applied for Western Underwriters Association membership as general agent for the Granite State, running mate of the New Hampshire, for Michigan, succeeding the J. A. Jones agency, which has gone on a strictly local agency basis.

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EDUCATIONAL SECTION

Explanation of Coinsurance Prepared by Cleveland Board

A valuable and concise explanation of the coinsurance clause prepared by the Insurance Board of Cleveland is now out in printed form. By reason of an avalanche of requests from other boards and insurance men throughout the country, the board has found it necessary to make a charge where more than two or three copies are asked. The explanation follows:

"The coinsurance clause is an agreement whereby the amount of insurance carried, at the time of any loss, shall be a definite proportion of the value of the property insured. An advantage in rate, or form of contract, or both, is granted if the agreement is made a part of the policy, with a penalty involved if not complied with. The theory of the coinsurance clause is based on the fact that the great majority of fire losses are partial rather than total.

Loss Spread More Thinly

"It is apparent that the larger the amount of insurance carried on a given property, the smaller is the proportion of a partial loss that will be paid by each \$1,000 of insurance. If a building worth \$10,000 is insured for \$2,000 each in two companies, a total of \$4,000, and an \$800 loss occurs, each company must pay \$400; but if insured for \$8,000 instead of \$4,000 and the policies of two more companies are supplied for \$2,000 each, to make up this total, then the original two companies will be called upon under an \$800 loss to contribute but \$200 each instead of \$400, although these companies each have the same maximum liability of \$2,000 as before. Thus having the loss spread more thinly over a greater total amount of insurance, the companies can and will carry the insurance for a lower rate of premium.

"The theory still holds to some degree if the entire amount of insurance is carried by a single company, for if insurance is carried in an amount well up toward the value of the property, rather than for a more nominal amount, the carrying company receives a larger premium income to help offset the loss payment.

"The theory does not hold in the event of total loss; the company then is faced with the obvious obligation to pay the full amount, or face, of the policy.

Compared to Tax

"There is a further consideration. Insurance rates are in the nature of a tax and the rate of taxation is necessarily directly related to the amount of value against which the tax is levied. If the insurance tax is computed against approximately full insurance to value, it is apparent the rate will be lower than if computed against only a lesser proportion of insurance to value. For in any event enough revenue must be ratably collected from each individual property insured to in the aggregate cover the cost of insurance. This may be accomplished through the medium of a lower rate on a larger amount of insurance or a higher rate on a lesser amount.

"Various percentages are available for use with the coinsurance clause but 80 percent is generally used. The 80 percent clause does not provide that the loss recovery is limited to 80 percent of the loss. It does not require that 20 percent of the risk must be assumed by the owner. The sole requirement is that the owner must at the time of the loss have an amount of insurance which is not less (it may be more) than 80

percent of the actual value of the property insured.

"The coinsurance clause operates in connection with the recovery under a loss only if the agreement is not complied with. The amount of the loss is first determined irrespective of coinsurance. If the conditions of the coinsurance clause are not complied with, the insurance is not voided, but the claimant then does have to stand the proportionate difference between what he agreed to do and what he actually did do. If the agreement on a \$10,000 building was to carry \$8,000 insurance (80 percent) but only \$7,000 was actually carried, then the agreement would be only $\frac{7}{8}$ ths complied with and the recovery would be but $\frac{7}{8}$ ths of the adjusted loss,* the owner himself assuming, or becoming a coinsurer for, the remainder of the loss. That is why it is called the coinsurance clause."

The following examples illustrate the operation of the 80 percent coinsurance clause:

Where insurance exceeding 80 percent of value is carried.	
Value of property	\$10,000
Insurance required	8,000
Insurance carried	9,000
Losses up to \$9,000	Paid in full.
Where insurance to 80 percent of value is carried.	
Value of property	\$10,000
Insurance required	8,000
Insurance carried	8,000
Losses exceeding \$8,000	Face of policy (\$8,000) is paid.
Losses up to \$8,000	Paid in full.
Where insurance to less than 80 percent of value is carried.	
Value of property	\$10,000
Insurance required	8,000
Insurance carried	5,000
Losses exceeding \$8,000	Face of policy (\$8,000) is paid.
Losses under \$8,000	Paid in the proportion that \$5,000 bears to \$8,000, or $\frac{5}{8}$ of the loss.

*As a matter of arithmetic, if the loss runs as high as 80 percent or more of the value of the property insured the coinsurance clause when not complied with does not operate nor affect the amount of recovery. This is because the face of the policy becomes first exhausted and acts as a stop limit, before the other figures assert themselves.

The Phoenix of Hartford in its house organ gives a working blank for a local agency so that it can keep track of its financial condition. In its questions and answers department the point is brought out as follows:

Question: For the first time in the existence of our agency we find ourselves in an embarrassing position financially. You will bear witness that we have a long record for prompt payment of our accounts, and that never, until this year, have we been required to take full advantage of the credit period which our companies are willing to allow. While we are not apprehensive as to the solvency of our agency, we desire, for our own information, as well as for our companies, who, we believe, are entitled to the information, to make up a financial statement of our affairs. Have you any form which will show approximately what is required, or can you prepare such a form for us?

Answer: A true picture of your financial condition is the logical first step to be taken in your present situation. In your own interest as well as that of your companies. We are quite sure that many agents who have lost their agencies, would have saved themselves had they taken "account of stock" soon enough, and adopted corrective measures in the shape of economies and collections of outside accounts.

New Jersey Men Back License Bill

(CONTINUED FROM PAGE 5)

who have suffered perhaps more than those of other states from the activities of free-lance solicitors, few of whom are competent to draft proper forms of insurance coverage for assureds, or have any permanent interest in the business.

The local men were appreciative of the support given them by companies in their effort to prepare an effective bill. President H. B. Nelson mentioned particularly the "helpful attitude of President Kurth of the Home, Manager Shallcross of the North British and President Haid of the Continental."

The executive committee, in addition to conferring on the qualification bill and going over with the legislative committee the numerous measures affecting agency interests offered in the legislature, has been aggressively following up the non-policy-writing agency problem, and to such effect that several companies have pledged to discontinue connections of this character. Others, it is anticipated, will shortly follow suit.

As chairman A. V. Livingston voiced strong disapproval of the new automobile public liability and property damage rates promulgated by the National Bureau of Casualty & Surety Underwriters and suggested that in all fairness rating bodies prior to the issuance of rate revisions should confer with the agents, making clear to the latter the reasons why increases are necessary, so that the local men may intelligently explain the proposition to their assureds.

Legislative Committee Reports

Easily one of the most important committees of the association is that presided over by H. L. Godshall, to which is entrusted the task of following state legislation. Thus far 46 measures affecting insurance interests in some degree have been introduced in the legislature. While a majority seek to amend the compensation act and are matters primarily for company attention, yet certain measures affect the agents directly. Despite the activity of the committee, Mr. Godshall declared, it could exert little influence unless it had the united support of the agents generally. He urged that the membership unitedly support the committee in its labors.

Leon Watson, schedule rating expert in the state, was pleased at the optimistic tone shown by members of the association, despite the fact that all had

suffered loss of business. Many had been embarrassed by bank failures, resultant absence of credit facilities and from other hardships. There was reason for encouragement, he contended, in that fire rates were stabilized and little was to be apprehended from rate-cutters. He counseled agents to defend rates when these are challenged by assureds, as they so frequently are these days, declaring that the granting of improper concessions reacted against insurance interests in that it conveyed to property-owners that the "business is crooked." Every rate promulgated and form issued, Mr. Watson stated, was based on a sound premise and must be observed if the companies are to be able to meet claims promptly and honorably when these develop.

The fear voiced by some members over the measure before the legislature providing for the creation of a competitive state fund for writing compensation business, was countered by the statement that there are certain classes that private carriers flatly refuse to write, and that such must perforce seek the indemnity the state requires them to carry through the medium of a state fund. One suggestion for meeting this difficulty was that the casualty companies form a pool such as they created a number of years ago for carrying mining risks and bus lines, but which arrangement was abandoned three years ago after the offices had lost several million dollars through its operation.

Guest Speakers Prominent

The New Jersey association has long been fortunate in the type of men it secured as guest speakers. In addition to Governor A. H. Moore, C. C. Hannah, eastern manager of the Fireman's Fund group, traveled from Boston to be on hand; W. B. Calhoun, president of the National Association of Insurance Agents, made a flying trip from Milwaukee, while Vice-President G. F. Michelbacher of the Great American Indemnity ran over from New York City. The governor was in fine fettle, and while he spoke briefly, and sensibly did not touch upon insurance affairs, yet inspired his auditors to greater faith in the country and its ideals, asking that they emulate the constancy of George Washington in such direction.

Mr. Hannah found much of a constructive character in fire insurance that should encourage men engaged in it, declaring that they might base their optimism on a substantial and not an emotional basis. The business, he asserted, had justified itself during the past two trying years because it has within it those elements that make for permanency. Through its different rating and kindred bodies the business is ever alert to discover the needs of property owners and to create methods for supplying them. He paid tribute to the work of special agents who act as liaison officers between the companies and the local men. Aside from the commercial aspects the companies are doing much for human welfare in improving building construction, thereby reducing not only destruction of wealth through fire, but safeguarding human life.

"Selling insurance," President Calhoun of the National association maintained, was "a profession," and to serve adequately his clients an agent must possess a thorough knowledge of his business. He held that local men are under a moral obligation to do all within their power, not only to reduce the fire waste but to aid in accident prevention. Stressing the point that agents are able to accomplish reforms in their business just in proportion as they join forces, he asked that special efforts be put forth to increase the membership of both the New Jersey and of the National associations.

While the subject of Mr. Michelbacher's address was "Rate Making," he specifically dealt with the process in connection with public liability automobile risks, amplifying his prepared remarks to answer earlier criticisms by agents of the recently promulgated automobile rates in New Jersey.

Working Blank for Agencies

Such a statement as you require should cover the following features:

Statement of financial condition of agency at
on the last day of 193....
Uncollected premiums \$.....
Deduct amount considered old or doubtful \$.....

Cash in banks available \$.....
Cash in closed banks, restricted \$.....
Other assets, good \$.....

Total assets \$.....
Balances due and undue to all companies as of date of this statement \$.....
Amount borrowed from banks or others \$.....
Other debts \$.....

Total liabilities \$.....
Surplus or deficit \$.....

Operating Results for Previous 12 Months

Net commissions and other income \$.....
Expenses: Including rent, salaries, drawing accounts and other agency expense \$.....
Excess or deficit to income \$.....

Standard Surety & Casualty Company

OF NEW YORK

Annual Statement — December 31st, 1931

ASSETS

Cash in Office & Banks	\$1,157,703.79
Government Bonds	\$ 273,000.00
Municipal Bonds	730,500.00
Railroad Bonds	234,650.00
Public Utility Bonds	168,500.00
Miscellaneous Bonds	47,500.00
Stocks	1,075,907.00
Total (National Convention Insurance Commissioners' Values)	2,530,057.00
Accrued Interest	15,087.51
Premiums in Course of Collection (Under 90 days)	223,557.99
Other Assets	5,846.19
Total Admitted Assets	\$3,932,252.48

LIABILITIES

Reserve for Claims	546,333.00
Reserve for Claim Expense	59,229.00
Reserve for Unearned Premiums	691,019.01
Reserve for Commissions	55,084.07
Reserve for Accrued Taxes & Accounts ..	68,047.49
Total Liabilities except Capital	\$1,419,712.57
Capital fully paid in	\$1,500,000.00
Net Surplus	1,012,539.91
Surplus to Policyholders	2,512,539.91
Total	\$3,932,252.48

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FRANK G. MORRIS, President

The National Underwriter

March 3, 1932

CASUALTY AND SURETY SECTION

Page Thirty-seven

Reid's Survey of Year in Casualty

Globe Indemnity President, Reporting Annual Statement, Analyzes the Reverses

DEC. 31 RESULTS SHOWN

Even Higher Compensation Tariff Needed—Stresses Importance of Maintaining Rate Level

The message of A. Duncan Reid, president of the Globe Indemnity, in connection with the annual statement, is a masterful analysis of the business. The experience of the Globe Indemnity is always representative of general conditions and Mr. Reid's observations are always enlightening.

The Globe Indemnity this year reports assets of \$35,359,508; loss reserve, \$13,213,299; special reserve for losses incurred but not reported, \$1,500,000; premium reserve, \$7,905,382; securities depreciation reserve, \$5,241,463, representing the difference between values as defined by the National Convention of Insurance Commissioners and the actual market value; capital, \$2,500,000 and surplus on market values as of Dec. 31, \$3,809,548.

In reviewing 1930 results, Mr. Reid predicted that 1931 would show a continuation of the pure underwriting loss on the part of many companies due to inadequacy of rates. "I regret," Mr. Reid states, "that my views have been fully realized. We find that our incurred losses have proved excessive, in fact, the greatest the Globe has ever suffered."

Premium Reduction

Premiums show a reduction of about 8 percent, the difference being \$1,693,365, of which more than \$1,000,000 is attributable to a reduction in pay-roll.

With the decrease in premiums, he pointed out, there was an inevitable increase in the expense ratio. The Globe, he states, has a management cost lower than most casualty companies.

"I know," he states, "that you have your difficulties in selling our policies at the increased rates which the experience necessitates. I realize that you have all kinds of irresponsible competition. But with the facts before us, there is only one conclusion—that we must maintain the highest level of rates and exercise the greatest care in the selection of risks, in the hope that the loss costs will not continue to mount and that there will be some ultimate profit."

Compensation Losses Up

In compensation, Mr. Reid reported that the loss continues to be excessive despite increases in rate. "It is quite evident to me," he said, "that with the trend and the conditions generally confronting us, the stock companies will have to obtain further increases in rates

Two Possibilities Loom at Accident Bureau Gathering

HOLD SESSION IN NEW YORK

May Consider Commissions, Question of Applying Changes to Renewals as Well

HARTFORD, March 2.—Casualty managers here anticipate with lively interest the annual meeting of the Bureau of Personal Accident & Health Underwriters at the Waldorf Hotel, New York, March 4. They feel that the suggestion will be advanced that conditions governing the writing of the new policy forms be applied to renewals as well as to new business.

It is a possibility that the question of commissions both on the accident and health lines will come up for discussion. In all conferences so far no mention of the commission question has entered.

The conferees have centered wholly upon the preparation of standard policy provisions. Agents however are curious on the subject and many have addressed their companies thereon, wondering if there will be any alteration in the terms of the agreements they now hold.

or they ultimately will be driven out of this class of the business. The situation is anything but comfortable. Therefore, I am constrained to impress upon you the fact that we will have to regard the writing of compensation as even a greater accommodation than in the past. I am giving definite instruction to the underwriting department to scrutinize our compensation business more closely than ever and to eliminate risks where either the type or class do not justify us in believing that we can hope to break even."

Four years ago, Mr. Reid recalled, he predicted that the level of automobile liability rates was inadequate. His misgivings of four years ago, he said, have been fully realized. "On an earned premium basis, the automobile liability losses, loss expenses, commissions and home office charges, with outstanding claims, show that we had in 1931 the highest percentage of loss, involving the greatest sum of money, in the history of our company. This result is all the more distressing when from the viewpoint of many of our friends the automobile rates have been unduly increased. When we find ourselves confronted with this excessive loss in spite of all the efforts that have been made rate-wise, you perhaps will be prepared to sympathize with our problem."

Fidelity and Surety

Fidelity and surety produced a substantial underwriting loss, he said, arising chiefly from the number and size of losses under fidelity bonds and the inevitable bank depository losses.

"Many of our friends," Mr. Reid said, "disapprove the policy that we adopted in connection with bank depository business some few years ago. We recognized their embarrassment and were fully sympathetic with it, but our convictions were definite; and we find our-

Confer in New York on Cut in Compensation Commission

MINNESOTA AGENTS ATTEND

Acquisition Cost Conference Also Expected Georgia Delegation, But Locals Fail to Appear

NEW YORK, March 2.—Representative Minnesota casualty agents were in conference here this week with a committee of the casualty acquisition cost conference regarding the reduction of the commission rate on workmen's compensation business in the state from 17½ percent to 15 percent.

It was expected that a delegation of Georgia agents would likewise be on hand to discuss the same proposition so far as their state is concerned, but they failed to put in appearance.

It was suggested by the Georgia men that William Leslie, associate general manager National Bureau of Casualty & Surety Underwriters, visit Atlanta and discuss the problem with the agents, but this was found impractical at this time, Mr. Leslie having already arranged to meet State Auditor Lawson of West Virginia at Charleston, to review the new automobile public liability and property damage rates.

selves today free from the enormous losses which we otherwise would have incurred had it not been for our conservative underwriting policy."

Accident and health continues to show an underwriting loss, due largely to the increasing number of fatal automobile accidents, according to Mr. Reid. The experience fully justifies the action recently taken by the Bureau of Personal Accident & Health Underwriters, he said, in preparing to standardize policy forms and to readjust rates. "The experience in accident and health," he said, "has finally driven the companies as a group into recognizing the necessity for readjustment in their underwriting."

Burglary and Plate Glass

Burglary and plate glass continue to show a normal profit and Mr. Reid urged agents to develop these lines to a greater extent.

Mr. Reid expressed gratification that the agents produced a fair volume of premiums in steam boiler and machinery, lines which the Globe reentered last year.

Mr. Reid pointed out that during the year, the greatest difficulties in history were experienced in the matter of collections. Agents of the Globe, he said, responded well and premiums beyond the 90 day period were about the same as at the close of 1930. Policies, he said, should not be placed with clients who are unable to pay their premiums promptly. "Neither you nor we desire to see our business reduced," he declared, "but we must remember that our combined efforts are entirely wasted unless the premiums are actually paid."

"The present year may show a continuance of the difficulties of the past year," he said, "and I would caution any agent who for any reason fails to realize the necessity of making prompt

Commercial A. & H. Program in Force

Companies Using Discretion in Adoption of Bureau's Recommendations

HIGHLIGHTS ARE GIVEN

Changes Made by United States Fidelity & Guaranty Illustrate Action by Carriers

The effective date for the new standardized commercial accident and health program recommended by the Bureau of Personal Accident & Health Underwriters was March 1, and companies rapidly are putting the new forms on the market.

It has been found that individual companies in the bureau for the most part have not adhered to the complete plan, but have employed it in the light of their own company policies and experience. For instance, a few companies have departed from the general recommendation that limb and eye losses should be predicated on weekly indemnity rather than principal sum, and are bringing out contracts on both bases. Several companies are reported not to be following the bureau program.

Competition Is Retained

The general result undoubtedly will be that the competitive factor will be retained, although on a saner basis than in the past. Accident and health underwriters believe the net result of the new program is that the public can buy a better A. & H. policy than in the past. Certainly it is a more clearly phrased one, an advantage from the standpoint of the policyholder alone, and also advantageous to the company in enabling it better to pay just claims and to obtain more conclusive and fairer court decisions.

For instance, a \$5,000, \$25/\$25 class A risk policy now can be bought for around \$57.50; whereas, before the change, it cost anywhere from \$60 up for anything like the same coverage.

Principal Changes Made

The new unit of principal sum now is \$1,000 instead of \$1,500. The bureau recommendation is that the accidental means insuring clause be used exclusively by all companies instead of the accidental death, bodily injuries or accidental event clause.

The program requires that no policy shall pay more than 52 weeks for accidental disability when the assured is

(CONTINUED ON PAGE 40)

collections of premiums and remitting them to us in accordance with his contract. It is much more preferable for us all, even at the sacrifice of a volume of business, to have our collections reduced to a definite minimum."

Chicago Plate Glass Fitters Strike Called Off by Union

MANUFACTURERS STAND PAT

Attempt of Company Managers to Secure Lower Replacement Costs Proves Ineffective

The plate glass crisis in Chicago, due to a "strike" of union glass fitters, has been passed, the strike having been called off, but with the net result that the "buck" comes back to insurance companies. The glass fitters refused to replace any insured plates following claims of some companies that unemployment in the glass industry had resulted in deliberate breaking of many plates to create work for the union men.

Managers of plate glass carriers met with glass manufacturers in an attempt to cut replacement costs. It was pointed out that some years ago when manufacturers reduced the prices of plate, insurance companies reduced their rates correspondingly, but then later when plate glass prices were raised the underwriters did not follow suit. Competitive conditions in insurance, particularly the 50-50 policy, have worked to keep the price down.

Replacement Cost High

Underwriters find the cost of plate glass in Chicago higher than any place in the country and their first criticism was against labor costs in setting plates. But conferences with union officials brought forth the fact that only about 125 union men out of 500 in Chicago are working, and they only part time, earning about \$25 a week. Underwriters now believe there is no reason for the union men to take a cut.

The next point of attack by carriers was manufacturers' prices, and the underwriters in spite of the fact that manufacturers stood pat at the meeting last week, still believed there could be a reduction in plate glass replacement costs without reducing union labor costs or insurance rates. The manufacturers' representatives, it is said, dealt only in generalities as regards their manufacturing costs, and counter-attacked by charging that acquisition cost of plate glass insurance is too high and commissions too large.

GLASS BUREAU COMMITTEE

The committee to take up the question of installing a plate glass bureau in Chicago, similar to the New York plate glass service bureau, has been announced. It consists of the Bankers Indemnity, New Jersey Fidelity & Plate Glass, Continental Casualty, Fidelity & Casualty, United States Fidelity & Guaranty, and Metropolitan Casualty. Consideration of the project was side tracked because of the glaziers strike in Chicago, but meetings of the committee will probably be held soon.

Warning on Automobile Rates

NEW YORK, March 2.—Agents and brokers as well as casualty companies operating in this state have been cautioned by Superintendent Van Schaick that the revised automobile liability and property damage rates, effective as of March 1, apply to policies already written as well as to those hereafter to be issued, and the regulation must be strictly observed. Any violations, he warns, will be subject to "the full penalties of the law."

Would Limit Guest Hazard

NEW YORK, March 2.—Free riding guests would be prevented from recovering for automobile injuries unless negligence on the part of the driver could be proved, by a bill introduced in the New York legislature.

Child as Involuntary Passenger Gets Verdict

Holding that an eight year old child had entered an automobile against her will and when injured was thus entitled to damages, the California Supreme Court has affirmed the decision of the superior court of Sacramento which had awarded damages of \$10,000 to Mary Alice Kastel of Washington. The child was injured while riding in a car driven by her guardian and belonging to a friend. Under the California law no damages can be collected when a passenger voluntarily accepts a ride, but the court decided that the child had entered the machine against her will and so was entitled to damages in the suit which was brought against her guardian, driver of the car and the owner.

Can Sue in Louisiana for an Out-of-State Accident

When an automobile liability policy is taken out in Louisiana through a foreign insurer, the third party has a right to bring action in Louisiana against the insurer, although the accident occurred outside of the state. This was the decision of the United States district court for the western district of Louisiana in Hudson, Jr., vs. Georgia Casualty.

"This court," according to the decision, "cannot see that because the circumstances supporting the exercise of statutory rights happened out of the state that this would force a citizen of this state to go into a foreign jurisdiction for the purpose of asserting it. The object of the state law was to afford its own citizens an opportunity in local tribunals of testing such claims in cases growing out of business done here."

Illinois Casualty President Sees Better Start in 1932

The Illinois Casualty of Springfield, Ill., shows assets \$569,590, premium reserve \$210,466, liability reserve \$56,224, capital \$200,000, net surplus \$63,645, premiums \$450,208, total income \$483,964, losses \$194,398, loss expense \$53,082, total disbursements \$481,265. It writes full coverage automobile insurance. Its premiums increased last year.

"The depression hit us, as it did every company," said J. L. Pickering, president. "It cut hundreds of thousands of surplus from many—millions from the surplus of several large companies. But business is starting off fine for 1932. Our January and February writings show a very substantial increase over 1931. The rehabilitation and renovation of our new home office is now complete and it is an asset of which we are proud."

Favor California Cost Changes

LOS ANGELES, March 2.—Balloting in Los Angeles on the amendments suggested by the California casualty acquisition cost conference was generally favorable, according to A. I. Zimmerman, chairman of the southern California committee. On the question of eight production points in the state, the voting for and against was about even, while the vote on providing an arbitrator, as well as other important points embodied in the proposed amendments, was strongly favorable in a substantial majority. In connection with this, various modifications were suggested by Los Angeles managers for consideration by the committee.

Store Burglars in Chicago Now Employ Machine Guns

DANGER FOR PATROL SERVICES

Burglary Underwriters Report New Method of Attack to Drive Off Peace Forces

Burglary underwriters report the growth of an unusual hazard for operatives of A. D. T. and similar watch services with adoption by thieves of the use of machine guns. The watch services guarantee a two-minute service. Thieves have found there is considerable hazard in breaking in during the night time when protective forces are especially watchful, and have adopted the methods of bank holdups, operating during the daytime.

Example Is Recited

Witnesses reported on a recent burglary loss in Chicago that two of the thieves stationed themselves in the doorway of a shop, each with a Thompson sub-machine gun, to drive off the A. D. T. patrol car when it arrived in response to the central office alarm, and the remainder of the gang without hesitation crashed open the door, tripping the alarm. Fortunately in this case the patrol car did not arrive before the thieves got away.

Burglars more and more are employing crashing methods, with a swift attack and get-away. In a number of cases in Chicago recently they have used heavy jacks to force the door open, or a battering ram in the shape of a massive pole or heavy timber found near by, according to members of the Burglary Underwriters Club of Chicago, who discussed the situation at their March meeting.

The underwriters are recommending interior collapsible iron gates or enclosures set back a few feet from the front door, and which the burglars must break open before getting into the store proper. This helps to delay the gang after the alarm has been tripped and permits the patrol car and police to get there while the thieves still are inside.

Warning Sent Out

A bulletin went out all over the country this week warning against another method now being widely used in which a member of the gang poses as a customer during the daytime and contrives to pull screws from the front door lock, filling the holes with putty or gum. At night the door can be pushed open, leaving the lock hanging to the frame.

The burglary club also took up the plate glass situation in Chicago. Many members are opposed to the present zone system and earnestly hope a survey bureau may be developed which will individually rate all risks. It was admitted losses have gone up tremendously in the last few months. Members of the club see no justification for the heavy charges made by plate glass manufacturers and fitters, especially on the small lights such as those in door transoms, which now cost \$12 to \$14 apiece.

Members believe the present system in Chicago is slipshod, in which plate glass carriers are leaving the work of the inspection and survey of risks to the companies interested in selling those plates. It was suggested that some plan might be worked out for installation by carriers of their own glass fitting bureau, which could employ union men, do all the work at a substantial saving in cost, it is estimated, and effect large savings in salvage of glass.

The present surveys are said to be mere estimates in many cases taken from the street without more than perfunctory measurements, and it was said a company survey bureau could use a questionnaire form calling for much data not now obtained.

Conditions in Compensation Creating Much Solicitude

PREMIUMS GREATLY REDUCED

Companies Find That Payroll Audits Are Not Developing Additional Income These Days

NEW YORK, March 2.—Casualty executives are very solicitous over the workmen's compensation situation in view of the reduced income and the increasing loss ratio, both due to the economic conditions. Payroll audits are developing but little additional premium. Refunds are now made on the other hand. In fact some companies have cut down their auditing force because the additional premium is not sufficient to meet the carrying charge. Other companies, however, feel that this is an unwise policy because if assureds find their books are not audited the tendency will be to impose on companies. Furthermore executives of this type declare that the payroll audit machinery should be maintained to take advantage of the upturn as soon as it comes.

Last year ran the loss ratio up, some companies reporting as high as 80 or 85 percent. The expense ratio naturally mounted. On renewal, most assureds are now granted a lower deposit. Claims became more frequent and the injured stretched out their period of recuperation more than was necessary. Some companies are endeavoring to reduce the percentage of their compensation premiums still more. Some will not take compensation risks unless there is a premium of \$50 or more.

Over 350 Cities Are Entered in Traffic Safety Contest

A total of 357 American cities were entered in the national traffic safety contest when the list closed Feb. 15, the National Safety Council has announced.

Ten of the 13 cities having more than 500,000 population were enrolled, New York City, Milwaukee and Buffalo being the only hold-outs in that group.

This contest, through the accident prevention activities it requires of every city entered, will directly affect at least 25 percent of the population. The campaign holds the promise of getting at the individual driver more effectively than anything ever before attempted. The contest, which is to run throughout the year, calls for definite activities in every city entered. Each city must report its traffic accidents regularly, carry on an educational program, strengthen its traffic engineering and law enforcement machinery, and organize for a continuous accident prevention effort.

Turn Down Massachusetts Report

The Massachusetts house has accepted adverse reports by the insurance committee on two changes in the compulsory automobile laws. The first provided for an investigation by the insurance commissioner of companies which have refused to satisfy judgments for more than 30 days after execution. The second would require automobile owners to pay penalty rates for liability policies and bonds in certain cases.

Dissenting Opinion Given

In reporting a decision of the Minnesota supreme court involving responsibility of the Travelers under an automobile liability policy where a garage attendant met with an accident while delivering the insured's car to her, THE NATIONAL UNDERWRITER correspondent confused the dissenting opinion with the majority opinion. He reported that the Travelers was held responsible, whereas the company was held not to be liable.

Comment Made on Automobile Rates

Vice-President Michelbacher of the Great American Indemnity Upholds Action

SAYS TARIFFS ARE RIGHT

Experience Has Been Properly Classified and Reflects the Loss Conditions in the Field

G. F. Michelbacher, vice-president Great American Indemnity, spoke before the meeting of the New Jersey Association of Underwriters, the local agents' body, at Trenton last week. He dwelt on automobile public liability insurance, commenting on the rate advance promulgated by the National Bureau of Casualty & Surety Underwriters.

Rate-making is another name for price fixing, he said, the charge being based upon a unit of exposure. While price determination with respect to commodities is arrived at after the production of the article and hence is almost exact, rates in insurance are issued in advance. The past experience upon which they are predicated may or may not prove a reliable guide. While certain states have anti-compact laws, the great majority, he continued, recognize that in order to arrive at the approximate cost of insurance there must be a broad pooling of loss experience, and thus in determining automobile rates the record of millions of cars is recorded.

Experience Is Classified

Once the broad experience is ascertained this is classified as to types of cars, localities, traffic regulations and the like. Adequate rates must be charged by the carriers else they will cease writing the business, and the assureds be unable to secure highly essential indemnity, which under the laws of a number of states they are compelled to carry. To show an increase in automobile rates was imperatively necessary Mr. Michelbacher pointed out the stock companies lost \$25,000,000 on risks of this class. So far as New Jersey was concerned, he added that whereas the premium dollar provides but 61.5 cents for losses and loss adjustments, during the completed policy year 1929 the cost of the business on pleasure cars in the state had been 83 cents, increasing to 95 cents in 1930. The state record on commercial machines during the same years, and for which 61.5 cents had likewise been provided, had been 79 and 84 cents respectively.

Abolishment of Merit Credit

Regarding the abolishment of the 10 percent merit rating plan, which has been the subject of severe criticism, Mr. Michelbacher stated that but 5 percent of insured cars produce accidents. Hence 95 percent were entitled to preferential rating. This fact was taken into account in determining the recent rates. If in addition to considering the preferential rating already in the preparation of the tariffs, a further 10 percent were allowed non-accident assureds the level of the new rates would have been pitched that much higher. In other words, those entitled to preferential treatment are already accorded it in the new rates.

As to demerit rating, a beginning of which was made in Connecticut several years ago, and is now attempted in the new figures in New York, the speaker declared that the problem had been

(CONTINUED ON NEXT PAGE)

Failed Banks Negotiating with the Surety Companies

ANXIOUS TO GET SETTLEMENT

Some Institutions Feel if They Can Secure Reasonable Terms, They Can Resume Operations

NEW YORK, March 2.—A number of banks in different sections, and particularly in the central west, that were forced to close their doors in the past few months, are anxious to resume operations. To that end they have been negotiating with surety companies that had bonds guaranteeing deposits of public funds in force at the time of failure. While the sureties were able and willing to settle their obligations, they have been asked to postpone doing so, pending the outcome of negotiations between the bankers and the public authorities. The suggestion is that the insured depositors accept a percentage of the sureties' liability and the pledge of the banks for the balance. Payments on the latter account are to be spread over a term of years, by which period the assumption is that the now hard pressed financial institutions will have been able to liquidate many if not all of their present "frozen" loans and to interest additional capital in their respective enterprises.

Backed by Home Business Interests

Some of the banks that were forced to the wall following the crash in the financial market were of excellent previous repute and their reentry into the arena is urgently desired by home business interests. Should the surety companies be called upon to settle their coverages upon public funds on deposit at the time of the failures, they would automatically become creditors of the defunct institutions. Without their co-operation the refinancing of the banks would be virtually impossible in many cases.

Surety companies are glad to assist where proper arrangements can be made between the bankers and the public officials, and have done so in a number of instances. While a compromise settlement means an immediate outgo to the surety offices at the same time it releases heavy reserves set aside for claims and permits the investment of the released funds in securities of attractive character and at figures that should yield handsome interest returns when general business conditions improve.

The La Salle Fire of New Orleans has reduced its capital to \$250,000.

Bank Business Has Changed Materially in Recent Years

W. D. CLARK MAKES ADDRESS

Fidelity & Casualty Assistant Secretary Says Loss Ratio Has Gone Upward by Leaps

NEW YORK, March 2.—Speaking before a class of the Insurance Society, W. D. Clark, assistant secretary Fidelity & Casualty, in charge of the burglary department, pointed out that bank burglary and robbery, which dates back only to 1892, has lost its standing as a prime class of business owing to the loss experience of the past few years.

"Some time in 1892, at the suggestion of a general agent of a large safe company," said Mr. Clark, "the Fidelity & Casualty introduced bank burglary and robbery insurance in this country, and was the first company to place this type of insurance on the market. It was more or less of a hard battle to introduce the insurance, and this was done by several high-salaried safe experts who solicited the banks personally."

Personal Inspection Made

"When bank burglary and robbery insurance was first introduced, it was necessary in most cases for a personal inspection to be made, as banks and local agents, being unfamiliar with safe and vault construction, preferred to have somebody familiar with the matter to make an inspection. However, today agents have become educated more or less in the matter, and with the aid of the safe companies there is not much difficulty in securing the necessary particulars through local agents."

"From an underwriting standpoint, the bank business, as a whole, has changed materially in the past few years, so that the loss ratio, more particularly from a robbery standpoint, has increased by leaps and bounds. While in former years this line was an exceedingly profitable one, today it is quite a different matter, and the business has to be very carefully underwritten."

McGinnis Has Wider Scope

KANSAS CITY, MO., March 2.—R. E. McGinnis, first vice-president of the Central Surety, has been relieved of his duties as active head of the claims department, and additional executive duties given him. K. G. Pringle, formerly associated with the American Automobile in its New York office, has been placed in charge of the claims department, relieving Mr. McGinnis.

Auto Rate Hearing in West Virginia

Last Minute Attempt to Reach Agreement Is Being Made

THREATENS COURT ORDER

Commissioner Lawson and Agents on War Path Against Increased Liability Tariff

Whether a court order will be sought by Commissioner Lawson of West Virginia restraining the companies from putting into effect the new automobile liability rates in that state depends on the outcome of a hearing at Charleston this week during which the new tariff is being championed by representatives of the National Bureau of Casualty & Surety Underwriters. A special committee of the West Virginia Association of Insurance Agents, consisting of F. R. Bell of Charleston, C. W. Thornburg, Huntington, and Harry Sanders of Morgantown, is attending the hearing.

The hearing and the threat of court action follow an exchange of correspondence between Commissioner Lawson and the National bureau.

The bureau, in its first memorandum to West Virginia, said that the standard limits loss ratio for the period from 1927-1930 was 90 percent on private passenger public liability and 111 percent on commercial public liability. The memorandum stated that the average loss cost per car provided by the new rate for the entire state is \$18.23 as compared with the average loss cost of \$20.14 required by experience. The new rates, according to the bureau, represented substantially lower level than is required.

Lawson Takes Issue

Mr. Lawson thereupon informed the National bureau that its calculations did not correspond with his. According to the records of the West Virginia department, public liability premiums received for the years 1927-1930 amounted to \$3,968,353; losses paid \$2,081,879, producing a 52.37 average loss ratio.

Whereupon, the National bureau replied that Mr. Lawson's calculations were based upon paid losses and written premiums. These ratios, according to the bureau, are less than the ratios of incurred losses to earned premiums. The National bureau presented an exhibit showing that the paid loss ratio country-wide in 1930 was 54.5 percent and the incurred loss ratio 60.4 percent.

In West Virginia in 1930 the paid loss ratio was 61.1 percent, according to the bureau, but was 67.7 percent on the incurred basis. These incurred loss ratios, the bureau declares, are based upon indemnity losses only and should be adjusted to include loss expenses incurred. With that adjustment, according to the bureau, the West Virginia loss ratio in 1930 on an incurred basis was 80.2 percent.

For Total Limits

Those experience figures, the bureau points out, are for total limits. The rate filing provides for a decrease of 25 percent on excess limits premiums. In determining the average rates for standard limits it is necessary to exclude excess limits losses and premiums since those companies writing direct insurance customarily reinsure the excess limits and the adequacy of the premium they retain can be measured only in

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Miss Kanouse in Unique Position

Lois E. Kanouse, assistant to Carl M. Hansen, president International Reinsurance, occupies the unique position as the only woman in the insurance world who exercises the underwriting power she does. Reinsurance involving from \$25,000 to \$1,000,000 in liabilities and from \$1,000 to \$250,000 in premiums are passed on in a day's business by Miss Kanouse, who is in charge during Mr. Hansen's frequent out-of-town trips.

"We have dozens of propositions submitted us during a day and out of these only one or two are taken," said Mr. Hansen. "Instant decision is required. Miss Kanouse has the rare faculty of knowing when and how to say 'no.' This is not what is usually called woman's intuition but rather that seventh sense that you find in a capable bank credit man. Common sense, perception, and a judgment of human nature in estimating the moral risk are required in our underwriting activities. These Miss Kanouse possesses in an unusual degree, and no small share of

the success of our company is due to her."

Miss Kanouse started in 1917 with Mr. Hansen as his secretary when she left school. At that time Mr. Hansen was organizing the American Reinsurance in Philadelphia. He sold his interest in that company in 1923 and acquired the General Reinsurance of New York, whose assets he increased from \$3,000,000 to \$13,000,000 in five years, when he sold out and went to Los Angeles.

Mr. Hansen and Miss Kanouse opened the business of the International Reinsurance in a single room three and a half years ago. Today the company occupies practically the entire 13th floor of the Pacific Finance building and employs 30 persons. Its assets have increased from \$3,000,000 to \$12,500,000 and its annual gross business is now around \$12,000,000. Since 1917 Mr. Hansen and Miss Kanouse have handled the affairs of companies with total assets of \$70,000,000.

Commercial A. & H. Program in Force

(CONTINUED FROM PAGE 37)

prevented from engaging in his own occupation, but after that may pay for life for inability to engage in any employment for wage or profit. Partial accidental benefits are limited to 26 weeks.

Sickness benefits are limited to 52 weeks as well, and no subscribing company is permitted to pay beyond that limit. The companies can write any kind of health insurance they elect up to 52 weeks, either confining or non-confining.

Hospital, nurse and surgical benefits are 50 percent for 20 weeks, either or both combined. Regardless of the waiting period for straight time losses, hospital, nurse and surgical indemnity is payable from the first day.

In the hospital benefits under the old forms, the waiting period excluded the benefit from the first day, according to the practice of most companies.

These commercial policies must be filed with the bureau and rates approved by that organization.

The new program of the United States Fidelity & Guaranty is illustrative of the changes made by the bureau, although the practices of the companies are not uniform in every respect. The U. S. F. & G. has withdrawn all of its old accident and health policies except the tourist special, volunteer fire company blanket policy and \$10 automobile accident policy.

Continues \$10 Form

The latter policy will be continued with the old rate and coverage, contrary to the practice of some of the bureau companies. Seven new policies, to be known as the "guaranty" series, have been issued to replace those withdrawn. Twenty riders and endorsements formerly used have also been withdrawn. Many of the benefits previously provided by riders are now contained in the new policies.

Probably the most important change in coverage is that benefits provided for dismemberment and loss of sight are now expressed in terms of weekly indemnity instead of a percentage of the principal sum. For those losses which heretofore were compensated by payment of the entire principal sum, the benefit is now 200 times the weekly indemnity, grading down for the minor losses. This is of especial importance, as the company is now issuing policies in unlevel amounts.

Unit \$1,000 and \$5

Rates are quoted for units of \$1,000 principal sum and \$5 weekly indemnity, with special rates for each additional unit of either principal sum or weekly indemnity. Hospital and/or graduate nurse indemnity of 50 percent of the weekly indemnity is provided for not exceeding 20 weeks, with an additional provision for surgical operations. Twenty days are now allowed for development of total disability, instead of requiring it to be "from date of accident." The reimbursement feature, previously granted by endorsement, has been incorporated in one of the new policy forms.

Health insurance will be granted to male risks only in one of two forms, either from first day of disability with house confinement as a condition precedent or without house confinement with a 14-day waiting period.

Health Insurance is not written on women. On accident insurance for women, there has been an increase in rates for weekly indemnity, but a decrease for principal sum. The writing of policies on women has been extended to class D, but with a long list of prohibited classifications.

The general rate level has been raised. On some forms it seems to run approximately 10 percent higher on both the principal sum and weekly indemnity.

In line with the general bureau pro-

gram, indemnity for partial accident disability is now limited to two-fifths of the regular weekly indemnity for 26 weeks. The limit for payment of health indemnity, either confining or non-confining, is 52 weeks.

A number of important changes have been made in the bureau's classification manual. Heretofore it has been allowable to describe the duties of an applicant in class A as "office and traveling." The word "traveling" is now eliminated. Real estate men, who were dropped from class A to class C in the general revision of the bureau manual last year, are now changed again to class B. Insurance brokers are changed from class A to class B.

Lon W. Harlow, resident vice-president of the National Surety in St. Louis, has been reappointed on the St. Louis board of equalization.

F. J. O'Neill, president of the Royal Indemnity and Eagle Indemnity, sailed for Europe Feb. 19, on the "Bremen." While abroad he will make an extended tour of England and several other European countries. He was accompanied by L. D. Forman of Leslie D. Forman agency, New York representative of the Royal Indemnity, and his son, Frank H. O'Neill.

Harold A. Probst, 39, manager of the Dayton, O., branch of the Travelers, died at his home in that city last week.

H. S. Weller, 63, who organized the Mutual Benefit Health & Accident and also the Travelers Health of Omaha, was buried there Monday. Ill health forced him out of active business in 1930, and since then he has spent most of his time in Chicago, where he died Friday of a heart attack.

F. W. LaFrentz, chairman of the board of the American Surety, has been elected a director of the Eagle Fire of Newark, N. J.

W. H. Morrissey of South Deerfield, Mass., who had represented the Massachusetts Accident for 31 years, died there from pneumonia. He had won so many prizes for continuous large production he was known as the "perpetual prize winner" of that company.

J. A. Beha, general manager of the National Bureau of Casualty & Surety Underwriters, has been elected a member of the board of the Union Labor Life of Washington, D. C. He also was placed on the executive committee.

John Loney, who was formerly with Riggs, Rossman & Hunter and before that with the United States Fidelity & Guaranty at the home office, died this week in Baltimore in his 80th year.

L. C. Miner, special agent of the American Surety and New York Casualty, is to be married March 28 in St. James Episcopal church, Birmingham, Mich., to Miss Dorothy T. Gail, daughter of Mr. and Mrs. C. W. Gail of that place. Mr. Miner was formerly associated with E. O. Spencer, general agent of the Hartford Accident in Mississippi. At one time he was contract engineer for the Home Accident of Little Rock. His mother resides at Newport, Ark.

L. V. Eklund, manager of the bond department of Moore, Case, Lyman & Hubbard for the past six years, has become associated with Arthur J. Gallagher in the Insurance Exchange, Chicago, in charge of fidelity and surety underwriting.

Mr. Eklund enjoys a wide acquaintance among Chicago brokers and has built his success on his thorough knowl-

CASUALTY PERSONALS



L. V. EKLUND

edge of the needs of his clients and on his ability to meet the ever changing conditions in this field.

A. Sprecher, assistant general manager at the head office of the Zurich General Accident, is visiting the United States headquarters in Chicago. Mr. Sprecher has visited this country in the past. He is a young man of real ability, who has spent his business life with the Zurich.

George Cator of Baltimore, one of the pioneer surety men of the country, and former president of the American Bonding, died in the Johns Hopkins hospital in his city after a short illness. He was a native of Baltimore, having been born in 1865. He was in the wholesale dry goods business as a member of the firm of Armstrong, Cator & Co. He resigned in 1890 and with Edwin Warfield and others he assisted in establishing the Fidelity & Deposit that year. Four years later with another group he organized the American Bonding, becoming president and serving until 1913 when its business was merged with the Fidelity & Deposit. He became chairman of the board and one of the vice-presidents of the latter company. He resigned as an officer but continued as a member of the board.

The Fidelity & Deposit kept the American Bonding charter alive and a few years ago revived the company, starting it in business again. In 1930 the alumni of the American Bonding held a notable reunion in Baltimore. Mr. Cator appeared at the banquet and received an ovation.

M. A. Kern, president of the Life & Casualty of Chicago, was married Jan. 30 to Miss Virginia Wilson of Dallas, Tex. Mr. and Mrs. Kern returned this week from their honeymoon which was spent at New Orleans and Biloxi.

Comment Is Made on Automobile Rates

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under close study by casualty underwriters for several years. While various methods had been proposed, none thus far had been accepted as satisfactory. It was his opinion that several years would yet elapse before a proper solution of the vexed problem would be reached. Theoretically the idea is highly meritorious, but reducing it to a workable basis is quite another matter.

Mr. Michelbacher feels, as do casualty men generally, that the experiment in demerit rating attempted in the Em-

Auto Rate Hearing in West Virginia

(CONT'D FROM PRECEDING PAGE)

terms of the standard limits rates. The excess limits portion of the total limits premium is about 13.5 percent.

Accordingly, the bureau declares that a conservative estimate is that the loss ratios on a standard limit basis are several points higher in West Virginia than on a total limits basis. The standard limits loss ratio of bureau companies on private cars for the four year period from 1927-1930 was 90 percent, according to the bureau, whereas the corresponding total limits loss ratio was 80 percent.

These considerations, according to the bureau, show the fallacy of attempting to draw conclusions from the ratios of paid losses to written premiums. Loss ratios upon an incurred basis must be higher than upon a paid basis. The bureau states that no companies keep a record by state of the loss reserve reported country-wide in the casualty experience exhibit, nor any record of earned premiums by states, but since the paid loss ratio in West Virginia has been mounting steadily, the incurred loss ratio must have been mounting even more rapidly, so that the incurred loss ratios for West Virginia as presented are conservative figures and probably several points less than the actual incurred loss ratio.

The special committee of the West Virginia Association of Insurance Agents has also been in consultation with the National bureau. Despite the second memorandum of the bureau, Mr. Bell communicated with William Leslie, assistant general manager of the bureau, saying that he believes that rates should be based on the record of paid losses over an average period of at least five years instead of on the incurred loss ratio. He contends that there are discrepancies between the first and second memorandums of the bureau to the West Virginia department.

He contends that if merit rating is disallowed and if the member companies maintained the rates instead of cutting rates on one pretext or another that premiums would be adequate.

"From information gathered from agents from all parts of the state," Mr. Bell stated in his letter, "it seems that you are asking for an increase of from 50 to 100 percent on public liability rates which would no doubt produce an average increase in premiums of from 65 to 70 percent. It is the unanimous opinion of the agents that this is unfair and unreasonable; further, it is the unanimous opinion that the agents in the state will not be able to hold any appreciable percentage of their automobile business."

While Mr. Bell is not opposed to discontinuance of merit rating, Commissioner Lawson is making a feature of that issue as well and many of the agents are in favor of a merit rating plan which would give credit at the end of the policy year instead of when the policy is written.

There have been indications that Commissioner Lawson is also interested in the new automobile fire and theft rates and that he may call representatives of the National Automobile Underwriters Association on the carpet.

pire State, will be followed, more or less closely in others, with what outcome none can predict. Regardless of what competition may be encountered from non-conference stock companies, mutuals or reciprocals, he asserted, the associated companies must collect the rates lately promulgated, these figures being necessary to maintain their continuance in the automobile liability field. He emphasized the plight into which the casualty business had fallen in recent years, with workmen's compensation, automobile liability, accident and health, depository bond and now the burglary line each contributing heavy underwriting losses.

EMPLOYERS REINSURANCE CORPORATION

Condensed Statement as of December 31, 1931

ASSETS

Real Estate	\$ 291,108.33
Mortgage Loans	509,020.00
Collateral Loan	7,500.00
*Bonds	
United States Government	\$1,381,027.50
Canadian Government (Statutory Deposit in Canada)	93,000.00
State, County, Municipal	3,788,651.30
Industrial	766,276.25
Railroad	294,390.00
Total Bonds	6,323,345.05
*Stocks	657,033.50
Total Bonds and Stocks	6,980,378.55
Cash in Banks and on Hand	797,974.80
Premiums in Course of Collection (Under 90 days)	495,608.30
Interest Accrued	96,471.09
Reinsurance Recoverable	65,000.00
Total Admitted Assets	\$9,243,061.07

*Valuations approved by the National Convention of Insurance Commissioners.

LIABILITIES

Loss Reserve: Liability and Compensation (Schedule P Basis)	2,655,455.46
Loss Reserve, Other Classes Including Investigation Expense	401,060.19
Total Loss Reserves	3,056,515.65
Reserve for Unearned Premiums	2,305,758.65
Commissions Accrued on Premiums	142,404.10
Reserve for Contingent Commissions	123,561.39
Reserve for Miscellaneous Bills	7,500.00
Reserve for State and Federal Taxes	137,388.87
Total Liabilities	5,773,128.66
Capital	1,500,000.00
Surplus	1,969,932.41
Total Capital and Surplus	3,469,932.41
Total	\$9,243,061.07

OFFICERS

HOWARD FLAGG	Vice-President	EDWARD G. TRIMBLE, President	
J. B. ROBERTSON	Vice-President	STANLEY W. IZARD	Secretary
WILLIAM EHMANN	Vice-President	ROBERT M. STAKER	Asst. Secretary
EDGAR E. SMITH	Treasurer	FRANK P. PROPER	Asst. Secretary
JOHN B. WORNALL	Asst. Treasurer	S. L. STEBBINS	Asst. Secretary
		FRANK G. COSGROVE	Asst. Secretary

KANSAS CITY

LOS ANGELES
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CHICAGO
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NEW YORK
Ehmann & Co.

CHANGES IN CASUALTY FIELD

New Managers in Two Cities

Massachusetts Bonding Appoints G. E. Lonergan in Cleveland and Edwin Sisk in Detroit

The Massachusetts Bonding announces the appointment of George E. Lonergan as branch manager at Cleveland and the creation of a Michigan branch office in Detroit under Edwin Sisk.

Mr. Lonergan was formerly manager of the branch office of the Commercial Casualty at Boston. In Cleveland he succeeds Howard Williams, who becomes a personal producer.

Mr. Sisk was formerly Detroit branch manager for the Great American Indemnity.

W. A. Campbell, for two years supervisor for the Union Indemnity in Kansas City, has joined the Massachusetts Bonding as head of the engineering department of the Kansas City branch. He will cover Missouri, Kansas, Iowa and part of Nebraska. That territory formerly was in charge of J. A. Condon, but due to increased engineering demands, his territory has been cut down.

Van Duncan of Indianapolis has been employed as special agent for the Indianapolis branch of the Massachusetts Bonding. He has been for many years associated with the branch office of the Hartford Accident at Indianapolis and later with the Indemnity of North America.

Official Lineup Is Given

As a result of changes in the western department incident to the resignation of Manager C. C. Blackwell, the

Public Indemnity, has announced the official lineup there. L. E. Golan is resident vice-president in an advisory capacity. J. H. Loerch, formerly assistant manager of the western department, is now manager. Fred S. Rye, formerly manager of the casualty department, is now assistant manager. J. S. Harper, formerly with the Bankers Indemnity, is now underwriter in the surety department in the Chicago office.

R. V. Wright in Charge

The Detroit office of the Great American Indemnity has been converted from the status of a branch to that of a service office under R. V. Wright. The former branch manager, Edwin Sisk, has just joined the Massachusetts Bonding

in Detroit. The territory formerly supervised by Mr. Sisk for the Great American Indemnity has been added to the jurisdiction of the Chicago branch under Manager H. E. Hill.

Pettigrew With Royal Indemnity

Stuart Pettigrew, formerly of Cleveland, has been appointed superintendent of the mechanical department for the Royal Indemnity on the Pacific Coast with headquarters in San Francisco. He succeeds W. K. Scott, who has joined the Pacific Indemnity at Portland.

W. B. Hulse in New Jersey

W. B. Hulse, formerly special agent for the Union Indemnity with headquarters in Albany, N. Y., has been transferred to New Jersey with headquarters in Newark. Before going with the Union Indemnity, he was stationed in New Jersey and is well known throughout the state.

ACCIDENT AND HEALTH FIELD

Further Details Are Given

Pacific Mutual's New Non-Can Policies Can Carry 100 Percent Hospital Benefit

Further details of the Pacific Mutual's new non-cancellable accident and health policies placed on the market March 1 are given. The contracts pay a life-long income during total disability, providing for reduction of 50 percent in amount of disability income for disabilities extending beyond age 60, and also pay for partial disability for a maximum period of six months.

There is a provision that loss of two limbs or sight of both eyes shall con-

stitute permanent and total disability. In the case of such losses the elimination period does not apply, benefits commencing to accrue immediately upon occurrence of loss.

Accidental loss of life benefits and 100 percent hospital benefits are optional as in the past at the same rate of premium. Risks will be accepted on new form policies at ages 20-50, and policies are renewable to anniversary date nearest 55th birthday.

National L. & A. Men at Dallas

Western managers of the National Life & Accident were in session at Dallas last week. C. A. Craig, chairman of the board, said Texas showed an especially good gain last year. The

company has 15 branches in Texas, employing some 700 men.

Other speakers from the home office were C. R. Clements, E. L. Stritch, H. T. Polk and C. H. Smith. W. H. Julian, vice-president in charge of the Texas division, and N. T. Webb, western manager, also spoke.

Nebraska Proposal Rejected

Commissioner Herdman Refuses to Order Changes in Accident and Health Policies Asked by Sorensen

LINCOLN, NEB., March 2.—Commissioner Herdman has refused to order health and accident companies to change the structural arrangement of their policies to conform to the complaint filed by Attorney-General Sorensen. He says that his experience as bureau chief induces the belief that the insuring public is not demanding the changes asked for, and that there are several good reasons why they should not be ordered.

These policies as now printed contain part or all of the matters objected to, but have been passed upon by the highest courts of the various states and their meaning so defined that the man of average intelligence knows the limitations of coverage as well as do the companies. To change them as asked would add to the cost to the policyholder, and add to the length of the policies. It would place on the companies the large cost of reprinting them in a form for which no public demand exists. In addition they would inject elements of doubt and insecurity that would take years of litigation to remove.

Mr. Sorensen's complaint was that the language used was so technical in character that policyholders were misled as to the coverage they were getting. Mr. Herdman says that if this were true, it would be natural that his

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that will be here
as long as I am"**

**observed a prominent general agent recently
as he put his name to an Eagle contract!**

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Today's problems handled by modern methods

*A*dherence to obsolete methods has never handicapped Lloyds Casualty Company in its fifty-two years of existence, because it is continually keeping abreast with present-day methods.

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LLOYDS CASUALTY COMPANY

M. DANIEL MAGGIN, Vice President & General Manager

75 MAIDEN LANE NEW YORK CITY

Plate Glass and Casualty Lines, including Fidelity and Surety.

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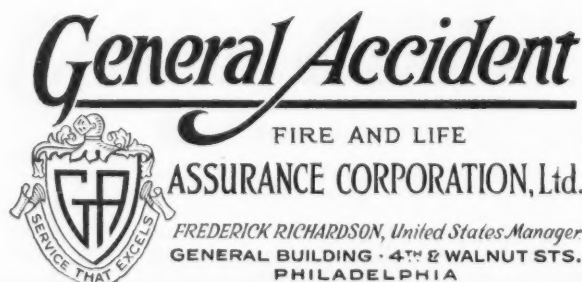
agency companies,
recognizing the value
of full cooperation by
the Home Office with
men in the field.

United States Fidelity and Guaranty Company

Fidelity and Guaranty Fire Corporation

Home Offices
BALTIMORE, MARYLAND

AUTOMOBILE	PUBLIC	BURGLARY	ACCIDENT
LIABILITY	LIABILITY	THEFT	HEALTH
PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION



department be flooded with complaints, whereas not to exceed two of that character are received on the average per month.

A hearing was held on the matter at Lincoln some weeks ago, at which the companies presented their objections to the changes proposed.

Barnes Joins Ohio State as Agency Vice-President

Frank L. Barnes has resigned as vice-president of the Provident Life & Accident to become agency vice-president of the Ohio State Life.

Mr. Barnes has been active in life and accident insurance work for the past 16 years. He was for a number of years manager of the accident and health department of the Employers Reinsurance in Kansas City and became vice-president and general manager of Sentinel Life of that city when it was organized in 1926. In September, 1929, Mr. Barnes joined the Provident Life & Accident as vice-president and manager of the accident and health department, later taking over also the duties of agency manager in the life department.

He has been especially active in the Health & Accident Underwriters Conference and is now a member of its executive committee. Mr. Barnes' wide experience in the accident and health field is expected to result in building up of the accident and health department of the Ohio State Life, which has not been making very great progress in that direction in recent years.

Falsely Denies Having Been Turned Down; Policy Void

Whether a misrepresentation in an application for an accident policy concerning prior applications constituted a warranty which voided the policy, is a question involved in United States Fidelity & Guaranty vs. Leong Dung Dye, which the U. S. supreme court declined to review.

The insured was drowned when he drove his automobile into Honolulu harbor. The insurer defended on the ground of suicide and that the insured had misrepresented in the application that he had never been denied any accident, health or life insurance whereas in fact he had been turned down.

The lower court held that the policy was not voided, but on appeal, decision was for the insurer.

Holland Succeeds Hawkins

Val H. Hawkins, manager accident and health department, Chicago branch office Commercial Casualty for upwards of five years, has resigned and has been succeeded by Roy W. Holland. Mr. Holland for eight years has been connected with the Continental Casualty of Chicago, and becomes accident and health underwriter of the Commercial. Mr. Hawkins, recognized as an able underwriter and production man, is considering a number of proposals and is expected soon to announce another connection.

Equitable of California Expands

The Equitable of California, which has had its home office in the Latham Square building in Oakland, has moved to the Tribune Tower building in that city, where it has taken over the entire ninth floor. A. P. Leach, Oakland attorney, is president; Dr. H. B. Mehrmann, vice-president and medical director; R. A. Haight, secretary-treasurer, and E. H. Smith, general manager. Department heads are A. J. Lonergan, claims; O. A. Meister, bond department, W. A. Ruston, industrial.

It is writing commercial accident and health, ordinary life, annuity bonds and weekly premium life and accident and

health. Its commercial premiums in 1931 were 14 percent over 1930 and the industrial business, starting in May, 1931, has also developed rapidly. The company is making plans for expansion and expects to enter additional territory as soon as desirable agency connections can be made.

Selling \$100,000 of Stock

The United of Chicago is marketing \$100,000 of \$10 preferred stock of the United Industrial Shares, Inc., fiscal agency for the United. The stock is being sold largely through the efforts of employees. It is on an 8 percent basis and is cumulative. There are \$75,000 of common shares of the United Industrial Shares, Inc., outstanding and \$300,000 preferred authorized, of which \$100,000 is now being sold. The United Industrial Shares gets a commission on all premium income of the United. Arrangements are offered for installment purchase of the stock. In lots of ten shares or more, the purchaser may pay 10 percent of the total purchase price down, plus 50c a share carrying charge immediately and then 10 percent a month. Units of 14 preferred shares of United Industrial Shares, plus one share of \$25 common stock in the United Insurance Company, are being offered at \$200.

McIntosh General Agent

F. W. McIntosh, who for several years has been manager in Chicago for the Monarch Life, has been made general agent of the company there. He retains his quarters at 32 West Randolph street.

Fidelity-Surety Activities

Companies Will Stand Suit

Charge Wisconsin Depository Bonds Obtained Under Misrepresentation—Say Law Violated

MADISON, WIS., March 2.—The United States Fidelity & Guaranty and the Fidelity & Deposit, sureties on the bond protecting state deposits in the failed Capital City Bank of Madison, have notified the state that they will decline to pay any loss resulting to the state on the deposits.

Consequent on this notice, which was accompanied by a declaration of the companies' attorneys that they did not care to negotiate further in the matter but were planning to stand suit, preparation is being made by Attorney General Reynolds to bring action at once.

Judgment will be asked for the full amount of the state's deposit, the theory being that the insurers are liable for that sum and have subrogation for any salvage that may be obtained from the bank's assets. The answer of the companies will allege that the bonds were obtained under misrepresentation and that the state officials were aware of the bank's insolvency when the policies were issued. It will also allege a deposit larger than allowed by law, which limits state deposits in banks subject to check to a sum equal to the paid capital and surplus of the bank.

New Laws Not Satisfactory

Michigan Measures Enacted to Do Away With Necessity for Depository Bonds Prove Ineffective

LANSING, MICH., March 2.—Recent developments show that the laws enacted by the 1931 legislature to eliminate the necessity for depository bonds for public funds will not work out satisfactorily. Some radical changes are

expected at the extra session of the legislature, called for March 29.

The American State Savings Bank, which closed its doors here Dec. 22, has provided an interesting contrast between bonded protection and the substitute afforded under the new law. The city of Lansing had about \$425,000 on deposit in the bank when it closed. The board of education had slightly over \$61,000. The city's funds were not protected by bond but the bank, in conformity with the new law, posted certain bonds as a safeguard, to be sold by the city if the municipality's deposit were tied up through closing of the depository. The school board, on the other hand, was fortunate in having a depository bond in the Michigan Surety.

The Michigan Surety has paid the board of education the full amount of its claim, \$61,092, and took assignment of salvage rights. As there is still a possibility that the bank may be reorganized and as assets were said to be well preserved the company's loss is not expected to prove great.

The city, however, has found that the securities posted in lieu of a surety bond cannot be sold at a price which will provide reimbursement, although the original securities deposit was supposed to exceed greatly the amount of city funds protected.

Plan Municipal Bond Bureau

DETROIT, March 2.—The Detroit police department will soon establish a municipal bonding bureau through which persons arrested for misdemeanors may be released immediately, taking this business out of the hands of the bonding companies. The action by the city follows the failure of a bill designed to

create such a bureau under the state laws in the last legislature.

Has \$275,000 Shortage

E. Wade Ball resigned last week as treasurer of Arlington county, Va., after an alleged shortage of \$275,000 had been discovered in his accounts. The Fidelity & Deposit was on his bond for \$300,000.

"Open Door" Policy Adopted

PHILADELPHIA, March 2.—The new administration in Philadelphia has adopted the "open door" policy as regards contract bonds. Whereas in the previous administration, most of the business went to one agency, it is now a matter of every one for himself. Of the bonds for members of Mayor Moore's cabinet, only two were written by the same agent.

Report on Warehouse, Taxi Bonds

LINCOLN, NEB., March 2.—The annual report of the Nebraska railway commission shows that for the last half of 1931, owners and operators of public grain warehouses had taken out bonds totaling \$3,432,000. Not all elevator owners have as yet complied with the provisions of the law. The commission report also shows that 82 companies and individuals have complied with the bonding requirements for operators of taxicabs, most of them in Omaha and Lincoln.

D. of C. Responsibility Bill

The senate District of Columbia committee has voted to revise and report favorably a financial responsibility law for the district.

CASUALTY ASSOCIATION NEWS

Wills San Francisco Head

Fireman's Fund Man Named as President of Casualty Association There at Annual Meeting

SAN FRANCISCO, March 2.—B. G. Wills, assistant secretary Fireman's Fund, was elected president of the Cas-



B. G. WILLS

ualty Insurance Association of San Francisco at the annual meeting. C. A. Bonner, manager of the western department of the Aetna Life and affiliated companies, was elected vice-president and F. B. Hammon, New York Casualty, secretary-treasurer.

Boston Casualty Luncheon

BOSTON, March 2.—A luncheon which promises to bring together an un-

usual assemblage of casualty executives will be given March 9 by the Insurance Brokers Association of Massachusetts.

The principal speaker will be United States Manager Frederick Richardson of the General Accident. Other speakers will be Commissioner Brown of Massachusetts, E. C. Stone, United States manager Employers Liability; Jay R. Benton, former attorney general of Massachusetts; J. H. Carney of Kaler, Carney, Liffier & Co., Boston; A. A. Lawson of John C. Paige & Co., Arthur W. Burke, general agent of the Aetna Life and president of the Massachusetts Casualty Underwriters Association, and Spencer Welton, vice-president Massachusetts Bonding. Collins Graham will act as chairman.

Will Hear Safe Expert

John Seubert, general sales manager of the Herring-Hall-Marvin Safe Company, will give a talk before the Casualty & Surety Field Club at Indianapolis March 7. He will deal with vaults and safes from the insurance requirement standpoint.

Falvey Kansas City Speaker

KANSAS CITY, MO., March 2.—Wallace J. Falvey, vice-president Massachusetts Bonding, talked on the need of cooperation between various factors in the insurance business to overcome the depression before about 50 members of the Casualty & Surety Underwriters Association.

The association will suggest the reduction of fleet requirements under the recent automobile rate raise from five to two cars.

Hartford Accident Figures

The Hartford Accident & Indemnity new statement shows assets \$43,258,111, premium reserve \$12,662,003, loss reserve \$18,273,079, voluntary reserve \$1,000,000, special reserve required by Connecticut \$1,799,673, capital \$1,000,000, net surplus \$4,587,349.

NEWS OF THE COMPANIES

Annual Statement Is Given

International Reinsurance Presents Some of the Chief Items from Its Financial Exhibit

The annual statement of the International Reinsurance of Los Angeles shows premiums, \$11,012,990; total income, \$11,580,506; losses and loss expenses, \$3,873,535; excess of income over disbursements, \$3,287,761; assets, \$12,308,413; premium reserve, \$2,992,139; loss reserve, \$4,063,376; capital, \$1,500,000; net surplus, \$2,787,204. Of the excess in income, \$3,202,784 was added to the reserves and \$300,000 was paid in dividends. This shows a deficit in surplus of \$215,022. The gross assets increased by \$3,129,401.

President C. M. Hansen in his report says that due to disturbed economic conditions losses on the average were higher last year than for many years in the past. Bank failures became more prevalent and bank depository bonds came in for a severe battering. This has been one of the heaviest drains on companies. President Hansen said that the policy of declaring dividends not to exceed 60 percent of the interest earnings appears to be fair to all. The present dividend rate is \$2 a share. In commenting on investments, President Hansen said that the values of common stocks are as much too low today as they were too high in 1929. Most common stocks, he said, can be carried at substantially higher prices than quoted today, always with the proviso that the need for selling them is not existent.

Defers Action on Dividends

The National Surety has decided to defer action with respect to declaring a dividend until the June meeting of the directors. It has paid dividends continuously for 24 years.

Public Indemnity Exhibit

The Public Indemnity in its annual statement reports assets of \$5,087,552; loss reserve, \$1,426,130; premium reserve, \$1,649,418; capital, \$760,000, and surplus, \$822,725.

Consolidated Indemnity Officials

The Consolidated Indemnity has now rearranged its official personnel following the resignation of President R. R. Rasquin. A. B. Samuels, former general counsel, who in January was elected executive vice-president, has become president. Lawrence Malawista becomes executive vice-president. W. F. Marquardt, formerly comptroller, was elected a vice-president. Secretary A. H. Hayum is elected vice-president. F. W. Bender is chosen vice-president. John B. Morris becomes assistant secretary.

Standard Surety Report

Total assets of \$3,932,252 are reported by the Standard Surety & Casualty in its annual report. The claim reserve is \$546,333 and reserves for claim expense \$59,229; premium reserve \$691,019; capital \$1,500,000 and net surplus \$1,012,539.

Constitution Indemnity Figures

The Constitution Indemnity of Philadelphia reports assets \$5,087,810; premium reserve \$1,468,733; claim reserve \$1,398,845; capital \$1,000,000 and net surplus \$751,893.

Transportation Indem.—Assets, \$2,632,295; unearned prems., \$215,932; loss reserve, \$101,654; liability reserve, \$45,489; comp. reserve, \$40,590; capital,

\$1,000,000; net surplus, \$408,110. Experience:

	Premiums	Losses
Auto liability	\$ 302,188	\$ 281,963
Other liability	17,803	18,867
Workmen's comp. ..	2,072	17,229
Plate glass	23,786	13,455
Burglary and theft ..	22,350	23,688
Auto prop. damage ..	109,149	77,089
Auto collision	28,050	21,802
Other P. D. and coll. ..	1,517	571
Total	\$ 502,771	\$ 454,669

U. S. Guarantee—Assets, \$7,989,523; unearned prems., \$1,879,170; loss reserve, \$472,725; liability reserve, \$928,378; comp. reserve, \$31,443; capital, \$1,000,000; net surplus, \$1,673,753. Experience:

	Premiums	Losses
Accident	\$ 1,031	\$ 437
Auto liability	1,119,058	479,648
Other liability	163,757	5,807
Workmen's comp. ..	3,823	1,583
Fidelity	458,227	142,903
Surety	824,565	24,884
Plate glass	7,197	798
Burglary and theft ..	332,080	124,200
Auto prop. damage ..	269,966	90,110
Auto collision	4,580	1,446
Other P. D. and coll. ..	5,417	612
Total	\$3,189,701	\$ 872,428

R. I. Mut. Liab.—Assets, \$137,809; unearned prems., \$33,030; loss reserve, \$1,040; liability reserve, \$4,741; net surplus, \$92,297. Experience:

	Premiums	Losses
Auto liability	\$ 39,225	\$ 8,918
Auto plate glass ..	15	4
Auto prop. damage ..	16,006	3,557
Auto collision	1,128	166
Fire and theft	4,190	1,580
Total	\$ 60,564	\$ 14,225

Massachusetts Indemnity—Assets, \$603,259; unearned prems., \$138,591; loss reserve, \$54,485; non-can. A. & H. reserve, \$8,384; capital, \$100,000; net surplus, \$285,687. Experience:

	Premiums	Losses
Accident and health ..	\$ 415,848	\$ 202,976
Non-can. H. & A. ..	171,756	78,208
Total	\$ 587,604	\$ 281,184

Transit Mutual—Assets, \$359,161; comp. reserve, \$112,038; net surplus, \$246,569. Experience:

	Premiums	Losses
Workmen's comp.	\$ 114,465	\$ 69,661

Mutual Cas., N. Y.—Assets, \$264,792; unearned prems., \$12,522; loss reserve, \$2,491; liability reserve, \$24,227; compensation reserve, \$74,297; net surplus, \$143,603. Experience:

	Premiums	Losses
Auto liability	\$ 9,953	\$ 160
Other liability	494	50
Workmen's comp.	58,121	23,978
Auto prop. damage ..	3,046	322
Other P. D. and col.	75	.....
Total	\$ 71,688	\$ 24,510

Manufact. & Wholesalers Indem. Exch., Colo.—Assets, \$249,786; unearned prems., \$65,401; loss reserve, \$14,965; liability reserve, \$13,700; net surplus, \$165,802. Experience:

	Premiums	Losses
Auto fire	\$ 12,133	\$ 1,785
Auto theft	9,311	4,093
Auto liability	100,998	24,703
Auto prop. damage ..	40,623	15,344
Auto collision	12,477	5,330
Auto burglary	679	1,750
Total	\$ 176,224	\$ 53,007

Allied Mutual Auto, Inc.—Assets, \$124,640; loss reserve, \$4,822; liability reserve, \$26,387; net surplus, \$79,227. Experience:

	Premiums	Losses
Auto plate glass	\$ 350	\$ 145
Auto burglary and theft	15,488	4,546
Auto fire	18,799	7,768
Auto prop. damage ..	48,386	27,693
Auto collision	42,709	26,556
Cargo, other P. D.	7,724	1,530
Auto, tornado	4,652	770
Total	\$ 274,079	\$ 96,630

New Amsterdam Casualty—Assets, \$24,962,608; unearned prems., \$6,172,404; loss reserve, \$2,559,014; liability reserve, \$4,030,183; comp. reserve, \$2,712,319; capi-

Central West Casualty Company

Home Office — Detroit, Mich.

HAL H. SMITH, President

CASUALTY INSURANCE — ALL LINES

FINANCIAL STATEMENT December 31, 1931

ASSETS	LIABILITIES
Cash in Banks and Office	Reserve for Unadjusted losses and Claim Expense
Bonds and Stocks.....	Reserve for Unearned Premiums
Real Estate Mortgages	Reserve for Unpaid Commissions
Real Estate	Reserve for Reinsurance
Loans Secured by Collateral	Reserve for Taxes.....
Due from Reinsurance Companies	Reserve for Accounts payable
Agents' Balances (Less than 90 days).....	Capital
Interest due and Accrued	Surplus
All other Admitted Assets	Surplus to Policyholders
TOTAL ASSETS	TOTAL LIABILITIES

Sound Finances—Steady Growth—Efficient Service

Security values are determined by National Convention of Insurance Commissioners

ADMITTED ASSETS

1924, December 31.....	\$1,898,343.01
1926, December 31.....	2,727,229.64
1928, December 31.....	3,051,003.63
1930, December 31.....	3,351,339.34
1931, December 31.....	3,443,435.20

tal, \$4,500,000; net surplus, \$2,500,000; special investment reserve, \$1,000,000; Voluntary reserve, \$177,641. Experience:	
Accident	392,431
Health	78,098
Auto liability	3,895,515
Other liability	1,412,008
Workmen's comp.	2,825,857
Fidelity	1,545,630
Surety	1,183,441
Plate glass	336,176
Burg. and theft.....	740,663
Auto prop. damage.	1,228,441
Auto collision.....	132,033
Other P. D. and coll.	48,783
Totals	\$13,819,076

Universal Auto, Tex.—Assets, \$2,632,830; unearned prems., \$1,020,335; loss reserve, \$117,582; liability reserve, \$295,028; capital, \$750,000; net surplus, \$202,334. Experience:

Accident	1,480
Auto liability	878,331
Other liability	14,087
Fidelity	1,201
Surety	906
Plate glass	19,896
Burglary and theft.	6,063
Auto fire	255,652
Auto theft	196,335
Auto prop. damage.	377,153
Auto collision	278,534
Other P. D. and coll.	505
Other auto	33,410
Totals	\$2,063,560

Zurich — Assets, \$20,388,128; unearned prems., \$4,285,753; loss reserve, \$732,509; liability reserve, \$5,191,549; comp. reserve, \$4,777,282; capital, \$600,000; net surplus, \$1,500,000. Experience:

Accident	383,778
Health	613,658
Auto liability	3,876,393
Other liability	1,910,751
Workmen's comp.	3,651,023
Plate glass	122,745
Burglary and theft.	328,241
Auto prop. damage.	1,064,026
Auto collision	61,246
Other P. D. and coll.	80,004
Totals	\$12,091,865

Pacific Mutual Life—Assets, \$190,323,808; unearned prems., \$3,040,135; loss reserve, \$8,393,358; non-can. A. & H. reserve, \$3,633,306; capital, \$5,082,000; net surplus, \$12,065,746. Experience:

Accident	\$1,693,415
Health	884,955
Non-canc. H. & A.	4,061,995
Totals	\$6,640,365

United Services Auto, Tex.—Assets, \$763,552; unearned prems., \$321,126; net surplus, \$327,476. Experience:

Auto accident	154
Auto liability	299,468
Inland marine	6,006
Auto fire	38,166
Auto, hail & tornado	5,160
Burglary and theft.	6,076
Fire transp.	1,887
Auto theft	48,446
Auto prop. damage.	108,584
Auto collision	136,797
Totals	\$650,744

Conn. General Life—Assets, \$154,176,245; unearned prems., \$657,801; loss reserve, \$830,532; non-can. A. & H. reserve, \$250,235; capital, \$3,000,000; net surplus, \$5,561,032; depreciation reserve, \$1,321,917. Experience:

Accident	\$1,045,454
Health	532,038
Non-canc. H. & A.	213,985
Totals	\$1,801,477

Hoosier Casualty—Assets, \$588,166; unearned prems., \$158,851; loss reserve, \$20,738; liability reserve, \$90,305; capital, \$150,000; net surplus, \$128,117. Experience:

Accident & health.....	238,034
Auto liability	152,102
Fire	14,076
Cyclone	1,952
Burglary and theft.	14,002
Auto prop. damage.	75,367
Auto collision	29,485
Single interest.....	419
Totals	\$525,437

Columbian Natl.—Assets, \$42,800,501; unearned prems., \$153,673; loss reserve, \$91,186; non-can. A. & H. reserve, \$11,709;

capital, \$2,000,000; net surplus, \$1,538,332. Experience:

Accident	\$232,542
Health	97,678
Non-canc. H. & A.	38,132
Totals	\$368,353

Employers Casualty, Tex.—Assets, \$1,186,998; unearned prems., \$350,992; loss reserve, \$17,441; liability reserve, \$146,593; comp. reserve, \$147,486; capital, \$300,000; net surplus, \$200,477. Experience:

Auto fire	\$38,543
Auto theft	20,482
Fire	35,109
Auto liability	184,092
Other liability	113,367
Workmen's comp.	124,769
Fidelity	3,985
Surety	16,700
Plate glass	4,210
Tornado	21,211
Misc. bonds	10,115
Accidental death	8,098
Auto prop. damage.	74,383
Auto collision	31,740
Other P. D. and coll.	6,237
Title and guaranty.	666
Credit	7,391
Totals	\$686,416

Iroquois Auto, Ind., Ill.—Assets, \$201,790; unearned prems., \$85,041; loss reserve, \$12,408; liability reserve, \$20,872; net surplus, \$41,901. Experience:

Auto liability	\$140,915
Plate glass, auto	1,224
Auto prop. damage.	71,390
Auto collision	85,224
Auto fire, theft, etc.	44,998
Totals	\$343,751

Columbia Cas.—Assets, \$6,670,700; unearned prems., \$2,177,725; loss reserve, \$694,299; liability reserve, \$1,059,636; comp. reserve, \$905,724; capital, \$1,000,000; net surplus, \$479,577. Experience:

Accident	\$140,225
Health	35,513
Auto liability	945,370
Other liability	223,694
Workmen's comp.	667,515
Fidelity	209,356
Surety	228,921
Plate glass	59,444
Burglary and theft.	138,298
Steam boiler	133,673
Engine and mach.	611,591
Auto prop. damage.	322,250
Auto collision	47,223
Other P. D. and coll.	12,764
Totals	\$3,775,837

Fidelity & Casualty—Assets, \$39,209,225; unearned prems., \$13,858,682; loss reserve, \$4,500,796; liability reserve, \$4,580,386; comp. reserve, \$5,742,874; capital, \$2,200,000; net surplus, \$2,273,109. Experience:

Accident	\$1,764,490
Health	506,153
Auto liability	7,451,461
Other liability	2,497,941
Workmen's comp.	6,407,156
Fidelity	1,960,422
Surety	1,682,402
Plate glass	548,467
Burglary and theft.	1,617,561
Steam boiler	448,502
Engine and mach.	266,971
Auto prop. damage.	2,565,378
Auto collision	205,968
Other P. D. and coll.	110,622
Miscellaneous	130,419
Totals	\$28,163,913

Amer. Credit Indem.—Assets, \$3,127,479; unearned prems., \$798,253; loss reserve, \$762,734; capital, \$1,000,000; net surplus, \$486,359. Experience:

Accident	\$1,552,338
Health	1,410,972
Auto liability	1,392,745
Non-canc. H. & A.	623,218
Totals	\$2,015,964

Loyal Protective—Assets, \$1,357,672; unearned prems., \$226,548; loss reserve, \$387,938; non-can. A. & H. reserve, \$18,875; capital, \$200,000; contingent reserve, \$200,000; net surplus, \$254,576. Experience:

Accident and health.....	\$1,392,745
Non-canc. H. & A.	623,218
Totals	\$2,015,964

Standard Accident—Assets, \$20,868,298; unearned prems., \$6,247,138; loss reserve, \$2,024,679; liability reserve, \$4,155,191; compensation reserve, \$3,228,943; non-can. A. & H. reserve, \$2,903; capital,

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\$2,500,000; net surplus, \$1,210,305. Experience:

	Premiums	Losses
Accident	\$1,511,854	\$1,051,751
Health	312,337	189,198
Non-canc. H. & A. ..	1,810	1,436
Auto liability	5,069,481	3,682,586
Other liability	1,386,590	566,059
Workmen's comp. ..	3,593,720	2,605,988
Fidelity	1,000,208	418,350
Surety	1,090,335	1,099,171
Plate glass	221,355	81,333
Burglary and theft. ..	463,857	193,262
Steam boiler	10,846	.....
Engine and mach. ..	4,695	4,066
Auto prop. damage. ..	1,653,581	615,473
Auto collision	181,027	114,711
Other P. D. and col. ..	96,680	25,857

Total\$16,598,376 \$10,649,241

American Fidelity—Assets, \$424,154; unearned prem., \$122,731; loss reserve, \$3,343; liability reserve, \$33,549; capital, \$200,000; net surplus, \$45,769. Experience:

	Premiums	Losses
Auto liability	\$128,420	\$87,162
Other liability	952	551
Workmen's comp. ..	47	.....
Fidelity	26,345	3,283
Surety	5,898	—996
Plate glass	1,345	779
Burglary and theft. ..	282	.....
Auto prop. damage. ..	56,619	27,785
Auto collision	7,465	6,375

Total\$227,376 \$124,940

Util. Indem. Exch.—Assets, \$685,264; unearned prem., \$204,830; loss reserve, \$32,134; liability reserve, \$131,443; comp. reserve, \$64,671; net surplus, \$243,018. Experience:

	Premiums	Losses
Accident	\$1,754	\$770
Auto liability	288,371	132,194
Other liability	48,328	17,042
Workmen's comp. ..	103,308	81,396
Plate glass	1,245	474
Burglary and theft. ..	3,516	1,046
Auto prop. damage. ..	103,913	45,639
Auto collision	58,215	26,179
Other P. D. and col. ..	10,657	2,938
Other auto	71,943	37,725

Standard Surety & Casualty—Assets, \$3,932,252; unearned prem., \$691,019; loss reserve, \$178,520; liability reserve, \$204,241; compensation reserve, \$199,533; capital, \$1,500,000; net surplus, \$1,012,539. Experience:

	Premiums	Losses
Accident	\$340	\$117
Auto liability	388,996	138,982
Other liability	99,932	23,317
Workmen's comp. ..	303,607	150,204
Fidelity	154,560	93,442
Surety	239,495	157,422
Plate glass	29,714	11,976
Burglary and theft. ..	54,685	22,049
Auto prop. damage. ..	136,048	40,716
Auto collision	7,920	2,689
Other P. D. and col. ..	1,706	177

Total\$1,417,508 \$641,096

Union of Indiana—Assets, \$559,641; unearned prem., \$223,681; loss reserve, \$19,539; liability reserve, \$33,248; capital, \$200,000; net surplus, \$56,164. Experience:

	Premiums	Losses
Fire	\$25,298	\$5,025
Tornado	4,971	741
Plate glass	9,071	3,307
Auto fire	24,487	12,875
Auto theft	27,546	13,365
Auto collision	112,705	104,968
Auto liability	118,042	62,156
Auto prop. damage. ..	77,288	26,974
Auto towing	190	46
General liability ..	573	1,247
Bonds	6,135	.....

Total\$406,311 \$230,707

Occidental Indem.—Assets, \$2,197,049; unearned prem., \$489,593; loss reserve, \$31,217; liability reserve, \$260,973; compensation reserve, \$88,504; capital, \$500,000; net surplus, \$500,000. Experience:

	Premiums	Losses
Accident	\$1,054	.....
Health	15	.....
Auto liability	735,685	386,290
Other liability	96,890	19,423
Workmen's comp. ..	232,182	116,219
Fidelity	54,867	7,726
Surety	11,601	2,267
Plate glass	12,502	6,350
Burglary and theft. ..	35,053	9,472
Auto prop. damage. ..	66,900	54,272
Auto collision	2,254	17,941
Other P. D. and col. ..	8,914	1,903

Total\$1,257,917 \$621,963

Employers Reinsur.—Assets, \$9,243,061; unearned prem., \$2,287,651; loss reserve, \$362,732; liability reserve, \$2,001,311; Experience:

comp. reserve, \$654,143; non-canc. A. & H. reserve, \$18,107; capital, \$1,500,000; net surplus, \$1,969,932. Experience:

	Premiums	Losses
Accident and health. \$	265,376	\$160,955
Non-canc. H. & A. ..	99,820	44,515
Auto liability	3,059,705	820,876
Other liability	261,003	90,901
Workmen's comp. ..	457,269	253,905
Fidelity	49,626	7,775
Surety	181,270	12,957
Plate glass	4,829	7,273
Burglary and theft. ..	246,133	180,516
Steam boiler	3,470	158
Engine and mach. ..	863	484
Auto prop. damage. ..	461,033	93,621
Auto collision	71,723	75,562
Other P. D. and col. ..	31,672	1,466
Credit	105,908	—542

Total\$5,299,708 \$1,755,430

Union Indemnity—Assets, \$15,746,509; unearned prem., \$5,793,821; loss reserve, \$1,720,421; liability reserve, \$1,950,901; comp. reserve, \$1,665,642; commissions, etc., due, \$730,025; capital, \$1,000,000; net surplus, \$513,469. Experience:

	Premiums	Losses
Accident	\$438,602	\$264,681
Health	146,654	104,612
Auto liability	3,923,454	1,711,661
Other liability	1,462,049	376,120
Workmen's comp. ..	3,390,089	2,238,983
Fidelity	660,970	222,429
Surety	2,056,512	932,502
Plate glass	380,017	170,241
Burglary and theft. ..	941,659	356,436
Steam boiler	173,984	8,922
Engine and machine ..	37,348	3,492
Auto prop. damage. ..	1,280,851	546,240
Auto collision	355,596	272,638
Other P. D. and col. ..	94,399	22,974
Sprinkler	149	.....

Total\$15,342,333 \$7,231,931

Great Amer. Indem.—Assets, \$9,629,075; unearned prem., \$2,929,111; loss reserve, \$4,154,281; liability reserve, \$1,989,548; comp. reserve, \$1,040,621; capital, \$1,250,000; net surplus, \$818,682. Experience:

	Premiums	Losses
Accident	\$195,562	\$101,393
Health	17,745	11,419
Auto liability	2,263,444	1,050,051
Other liability	670,673	229,593
Workmen's comp. ..	1,348,826	922,204
Fidelity	307,833	103,037
Surety	525,900	488,118
Plate glass	182,917	49,254
Burglary and theft. ..	256,571	69,206
Auto prop. damage. ..	753,607	261,653
Auto collision	47,500	35,206
Other P. D. and col. ..	28,267	6,292
Miscellaneous	88,055	22,792

Total\$6,686,902 \$3,350,191

Penn General Cas.—Assets, \$1,409,557; unearned prem., \$164,253; loss reserve, \$9,804; liability reserve, \$73,101; comp. reserve, \$321,211; capital, \$500,000; net surplus, \$277,136. Experience:

	Premiums	Losses
Auto liability	\$210,185	\$39,700
Other liability	6,031	25
Workmen's comp. ..	211,181	152,565
Fidelity	1,259	.....
Surety	1,405	35,287
Plate glass	1,789	1,153
Burglary and theft. ..	3,472	264
Steam boiler	570	.....
Auto prop. damage. ..	81,537	24,066
Auto collision	5,155	2,676
Other P. D. and col. ..	259	.....
Other P. D. coal mine ..	3,242	.....

Total\$526,090 \$255,738

Seaboard Surety—Assets, \$2,138,728; unearned prem., \$338,861; loss reserve, \$63,114; capital, \$1,000,000; net surplus, \$668,167. Experience:

	Premiums	Losses
Fidelity	\$13,227	.....
Surety	634,677	87,969

Total\$647,904 \$87,969

State Reserve Mut.—Assets, \$37,613; unearned prem., \$13,212; loss reserve, \$159; net surplus, \$16,400. Experience:

	Premiums	Losses
Non-canc. H. & A. ..	\$21,810	\$691
Industrial A. & H. ..	12,665	2,020

Total\$34,475 \$2,711

The Massachusetts Casualty and the Connecticut Indemnity have withdrawn from New Jersey.

E. S. Koenig Promoted

E. S. Koenig, for the past four years with the claim department of the Indemnity of North America and Alliance Casualty in Newark, has been appointed manager of the Williamsport, Pa., office of both companies.

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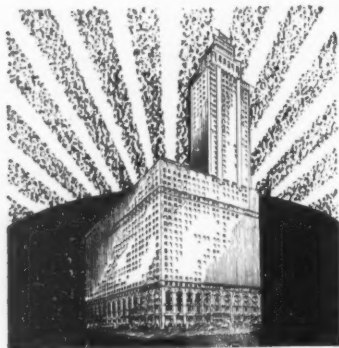
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WORKMEN'S COMPENSATION

New York Committee Reports State Fund Manager Is Out

Recommends All Occupational Diseases Be Covered—Dissenting Opinion Is Withheld

ALBANY, March 2.—A preliminary report has been presented to Governor Roosevelt by the committee to review medical and hospital problems in connection with workmen's compensation insurance. A minority report also was filed by Charles Deckelman, Travelers, and O. G. Browne, representing the self-insurers, members of the committee, who do not concur with the recommendations of the majority members.

The committee recommends that hospitals be adequately paid for services rendered in connection with workmen's compensation cases and that the "ward charity rate" was not to be a determining factor.

Cover Occupational Diseases

The committee suggests that the scope of the workmen's compensation act be enlarged to cover all occupational diseases as provided in a bill presented to the legislature by the department of labor.

It recommended that insurance company doctors be excluded from the room when the claimant is being examined by a state doctor so there can be no possible question regarding bias or influence. The committee claims it is most unsatisfactory for the medical records in a case to be supplied by the agents of insurance companies and recommends that these records come from a disinterested party and further suggests that a fundamental change be made in the law which would create a series of clinics under the supervision and direction of the state.

Favors Free Choice

The committee further finds that while present methods are not wholly satisfactory, it is not in favor of free choice of physicians by patients. It however suggests some method be devised by which physicians desirous of doing compensation work could be rated or licensed.

It is recommended that total disability be interpreted to mean that a man is unable to return to the occupation in which he was engaged when he was injured and should be compensated until he can resume that work. If in the meantime he earns something with light work, that amount should be deducted and he be paid only the balance.

Court of Review Favored

A supreme court of review on medical questions is recommended.

Governor Roosevelt states he is gratified at the report and he feels "that the respective recommendations of the committee will do a great deal to eliminate the many misunderstandings in the operation of the law and will tend to attract a higher grade of professional service for the benefit of those injured in industry."

WANT MINORITY REPORT PUBLIC

NEW YORK, March 2.—While the majority report of the committee appointed by Governor Roosevelt to review medical and hospital problems was made public, the views of the minority have been held up. The findings of the latter, it is understood, sharply challenge many of the statements and recommendations of the majority, assert that these are illogical and manifestly unfair in their criticisms of the action of the compensation writing companies. Company executives feel that in all fairness the governor should make public the minority report, as he has the majority statement, in order that legislators may have a clear knowledge of all issues involved.

Michigan Agents Aroused Over Alleged Representations of Solicitors That State Is Behind Project

LANSING, MICH., March 2.—R. M. Watkins, manager of the state accident fund, has submitted his resignation to Gov. W. M. Brucker, effective immediately. Reason for the action was not given. The governor was in conference all day relative to the extra session of the legislature. It is said that a report of recent examination of the fund is on file at the governor's office and that a statement might be made this week regarding the status of the fund.

Affidavit Submitted

Rep. Melvin Lee of Royal Oak, one of the agents who recently filed complaints relative to activities of the fund solicitors, was at the capitol today bearing an affidavit from a Royal Oak business man to the effect that a fund solicitor told him the fund was an integral part of the state government the same as the insurance or conservation departments, and that the state stood behind policyholders. Such unfair competition has aroused a storm of protest from representatives of companies writing workmen's compensation and the governor is said to have authorized the investigation of its activities which has apparently culminated in resignation of the manager.

Lee said that if a full revelation of the fund's condition is not forthcoming he will present a joint resolution at the special session asking for a thorough legislative investigation of its affairs.

The advisory board of the fund two weeks ago authorized committees to readjust rates and consider reduction of personnel. Local agents say, however, that representatives of the fund have recently been offering to renew lines at the old rates. The fund has been held not a state institution in a recent opinion of the attorney-general.

Disbursement Items Clarified

In the article about the Michigan state accident fund, published in the Feb. 11 issue, to the effect that disbursements for the year ending June 30, 1931, were \$139,343 in excess of income, a number of readers were confused by the paragraph itemizing some of the important disbursements. A clearer statement would have been: Disbursements included \$361,249 paid for losses on workmen's compensation, \$181,794 for medical and hospital bills and \$20,711 for investigation and adjustment of claims, totalling \$563,755. Traveling expenses, salaries, etc., brought up disbursements to \$674,813. Cash dividends paid, amounting to \$54,226 and other items, brought total disbursements to \$735,538, which is \$139,343 in excess of receipts.

Agents Oppose N. J. Bill

TRENTON, N. J., March 2.—House Bill 72, which permits injured persons under the workmen's compensation act to designate their own physicians, has been passed by the assembly.

Agents from all parts of the state have been called upon by H. L. Godshall, head of the legislative committee of the New Jersey Underwriters Association, to communicate with their senators and urge them to vote against the measure.

Minnesota Commissioner Resigns

Henry M. Gallagher, who has served about a year as member of the Minnesota industrial commission, has resigned effective May 1. No successor has as yet been named.

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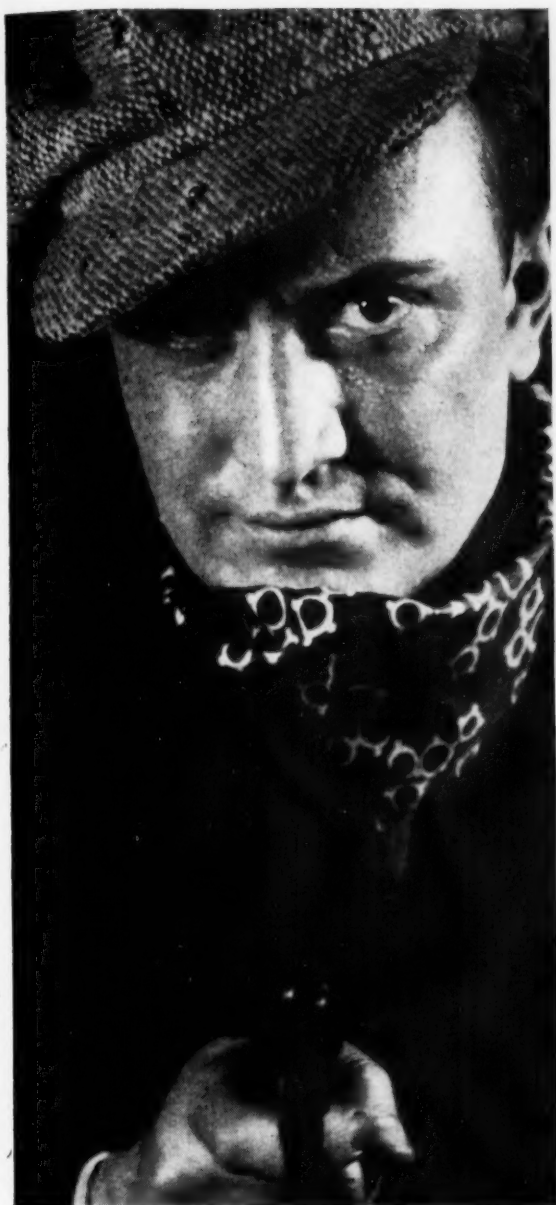
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Your name and advertisement will appear at the **top of every sheet** in a prominent position where they will be seen by all eyes every day in the year.

Actually Sell Insurance

The National Underwriter calendar is not an ordinary calendar, but an insurance calendar. It is no more expensive than other calendars, but is more effective advertising for you, because it not only keeps your name and advertisement before your clientele, but actually sells insurance through the 12 insurance pictures and sales captions.

Essentially Practical

The calendar is not only attractive but essentially practical. The numerals are large and visible at a distance. The months before and after the current one are given on each sheet as well as the moon changes. People want practical calendars but they also want good looking calendars. The National Underwriter calendar combines these two factors so that you

can get your name and advertisement on your prospect's wall for a whole year.

The prices for National Underwriter calendar show that this type of advertising is the most effective and economical that you can use. If you wish to mail out your calendars we can furnish them to you already inserted in pull-string wrappers, along with a package of addressing labels. It only costs you 3 cents postage to mail each calendar.

You Can Save 10 Percent

It is imperative that you order your calendars early because you can secure the exclusive franchise for the use of them in your city if you meet our requirements. Here is an opportunity for you to beat all the other agents in town and get the exclusive franchise for The National Underwriter calendars. We also allow a 10 percent discount on all orders received before March 31. This means a substantial saving for you if you order now.

Write for Sample Today!

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The Record of Nine Panics

New York City guaranteed first mortgages, issued through title and mortgage companies operating under the New York Insurance Laws, have passed through nine major panics and depressions without default in the payment of principal and interest:

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5. The Panic of 1907.
6. The Depression of 1910-11.
7. The War Depression of 1914-15.
8. The Post War Depression of 1920-22.
9. The Depression of 1929-32.

Today, at what we hope to be the end of one of the longest recessions since the 70's, these short term guaranteed securities still hold firmly, and command an active market with banking institutions and insurance companies, *at par!* Can any other security, in any class or any market, display a like record?

A Security's Best Testimonial is its Market

On January 1, 1932, over two-thirds of the outstanding guaranteed mortgages of State Title and Mortgage Company were held by financial institutions. The approximate distribution was as follows:

25% in amount was held by New York Savings Banks.

25% in amount was held by National and State Banks and Trust Companies.

18% in amount was held by Insurance Companies.

Over 80% of all mortgages sold by State Title and Mortgage Company during the past year were purchased by financial institutions.

THERE IS NO DEPRESSION IN DEPRESSION-PROOF SECURITIES

STATE TITLE *and* MORTGAGE COMPANY

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